

2014/15

KAGISANO-MOLOPO LOCAL MUNICIPALITY

ANNUAL REPORT

Volume I

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# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### Vision and Mission

The municipality has adopted its vision namely: “Leader in provision of sustainable quality services in partnership with stakeholders”.

Whereas the Mission reads as follows: “Accelerate sustainable service delivery and economic development in collaboration with stakeholders through governance and sound organizational practice”

#### Objectives and Strategies

The municipality adopted the **Ten Point Plan** as objectives to be achieved by the municipality in the five years period for (2013-2017). These are aligned to the Turnaround strategy and the outcome 9.

#### The strategic planning

The following are strategies and objectives identified in the IDP at the start of the financial year:

#### Objective:

- Eradicate backlogs in order to improve access to basic services to community such as water, sanitation, electricity, roads, waste management and housing, and ensure proper operations and maintenance

#### Strategies

- Engage district on service level agreement on water provision
- Improve infrastructure maintenance.
- Develop Storm water management plan and maintenance plan for Infrastructure
- Road maintenance
- Expedite the construction of Landfill sites

#### Objective

- Promote municipal contribution to job creation and sustain livelihoods through local economic development and agriculture

#### Strategies

- Support SMMEs, cooperatives and other LED initiatives
- Review the LED Strategy
- Implement the Community Works Programme and EPWP
- Ensure Capacity development on LED initiatives
- Support agricultural initiatives and land reform programmes
- Develop Business Expansion and Retention Strategy

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- implement regulations affecting business, such as rezoning, taxes and rates, land use management, utilities and hard infrastructure

## **Objective**

Ensure the development and adoption of reliable and credible Integrated Development Plans (IDPs)

## **Strategies**

- Adopt the IDP planning process appropriate to the capacity of the municipality
- Ensure ward committees are fully involved in the community consultation processes with regard to the IDP, Budget and other strategic service delivery issues.

## **Objectives**

- Build and strengthen the administrative, institutional capabilities of the municipality

## **Strategies**

- Comply with the legal financial reporting requirements
- Implement the Work Skill Development Plan
- Implement budget reforms as per MFMA.
- The development of a comprehensive inventory and stores management policy
- Strengthen a political and administrative stable system.

## **Key Policy Developments:**

Kagisano-Molopo local Municipality has aligned its objectives with the national Strategic objectives and the 12 National Priority outcomes. This is also based on the strategic alignment to the Provincial Growth and Development Strategy and the IDP Strategies included in the IDP.

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2009-2014 National Government Strategic Objective	2011/16 National Priority Outcomes	2011/16 National Outcomes	Thematic Area/KPA	2011/16 National Priority Outcomes	10 Point Plan
		Role of Local Government		Kagisano- Molopo LM Strategic Approach	
Strengthen the skills and human resource base	Outcome 1: Improved quality of basic education	Facilitate the building of new schools by: participating in needs assessment <ul style="list-style-type: none"> <li>Identify appropriate land</li> <li>Facilitate the zoning and planning processes</li> </ul>	Local Economic Development	Facilitate the provision of basic services to the relevant Sector department.	Improve the quantity and quality of basic services for all people in terms of water, sanitation, electricity, waste management, roads and disaster management
Improve the health profile of all South Africans	Outcome 2: A long and healthy life for all south Africans	Many municipalities perform health functions on behalf of provinces	-	The District provide only environmental function	Improve the quantity and quality of basic services for all people in terms of water, sanitation, electricity, waste management, roads and disaster management.
		Strengthen effectiveness of health services by specifically enhancing TB treatment and expanding HIV and AIDS prevention and treatment	Good Governance	Develop & implement an integrated HIV/AIDS programme in collaboration with AIDS Council and Health Department in district	
		Municipalities must continue to improve Community Health services infrastructure by providing clean water, sanitation and waste removal services	Basic Service Delivery and Infrastructure Development	Facilitate the provision of basic services to the institution relevant to this sector planning	

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2009-2014 National Government Strategic Objective	2011/16 National Priority Outcomes	2011/16 National Priority Outcomes	Thematic Area/KPA	2011/16 National Priority Outcomes	10 Point Plan
		Role of Local Government		Kagisano- Molopo LM Strategic Approach	
Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	<u>Outcome 4:</u> Decent employment though inclusive economic growth	Create an enabling environment for investment by streamlining planning application processes	Local Economic Development	Benchmark planning application procedures with best practices	Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development(LED ) Utilising cooperatives in ward level
		Ensures proper maintenance and rehabilitation of essential services infrastructure	Basic Services	Planning for maintenance is included in programme of output 2 under outcome 9 as well as outcome 6 which is relevant to infrastructure maintenance	
		Ensure proper implementation of the EPWP at municipal level	Local Economic Development	It is covered under outcome 9	
		Improve procurement system to eliminate corruption and ensures value for money	Municipal Financial Management and Financial Viability	Embark on an internal Audit of the procurement Policy processes  Invite service providers to update and	

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			Good Governance	register on the database	
		Utilize community structures to provide services		Explore opportunity to utilize local people/ structures	
Massive programme to build social and economic infrastructure	<u>Outcome 6:</u> An efficient competitive and responsive economic infrastructure network	Ring-fence water, electricity and sanitation functions so as to facilitate cost- reflecting pricing of these services	Basic Service Delivery and Infrastructure Development	Service level agreement with District	Improve the quantity and quality of basic services for all people in terms of water, sanitation, electricity, waste management, roads and disaster management
		Ensure urban spatial plans provide for commuter rail corridors as well as other modes of public transport	Good Governance	Facilitate the development of SDF with the District	
		Maintain and expand water purification works and waste water treatment works in line with growing demand	-	n/a	
		Cities to prepare to receive the devolved public transport function	Good Governance	Facilitate development of integrated Transport plan	

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		Improve maintenance of municipal road network	Basic Service Delivery and Infrastructure Development	Develop maintenance plan	
Comprehensive and rural development linked to land agrarian reform and security	<u>Outcome 7:</u> Vibrant equitable and sustainable rural communities with food security for all	Facilitate the development of local markets for agricultural products	Local Economic Development	Facilitate revival IGR Structures: LED/Business consultative Forum, Tourism Association	
		Improve transport links with urban centres so as to ensure better economic integration	Good Governance	To be included in the SDF	
		Promote home production to enhance food security	Local Economic Development	Municipal LED projects and Special projects to be linked with Social Development	
		Ensure effective spending of grants for funding extension of access to basic services	Good Governance	SDBIP of all relevant directorates and facilitate application of rural Development Fund	
Build a cohesive and sustainable communities	<u>Outcome 8:</u> Sustainable human settlements and improved	Cities must prepare to accredited for the housing function	n/a	Not applicable for Kagisano-Molopo LM	Deepening democracy through a refined ward committee system that will be based on the will

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	quality of household life				of the people
		Develop spatial plans to ensure new housing development are in line with national policy on integrated human settlement	Basic Service Delivery and Infrastructure Development	Facilitate the review of the municipal Housing Sector Plan	
		Participate in the identification of suitable land for social housing	Basic Service Delivery and Infrastructure Development	The Housing Sector Plan should include potential land	
		Ensure capital budgets are appropriately prioritised to maintain existing services and extend services	Basic Service Delivery and Infrastructure Development	Covered under outcome 9	
Building a developmental state including improvement of public service and strengthening democratic institutions	Outcome 9: Responsive, accountable, effective and efficient local government system	Adopt IDP Planning processes appropriate to the capacity and sophistication of the municipality	Good Governance	The municipality does approve a municipal framework & process plan 9 months before the start of the financial year on an annual basis	Municipalities that have reliable and credible integrated Development Plan(IDPs) that are used as a guide for every development programmes and projects within that municipality
		Implement the community work programme	Local Economic Development & Good Governance	The municipality hold CBP processes which make	



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				provision to identify community work programmes	
				Budget for ward Committees	
		Ensure ward committees are representative and fully involved in community consultation processes around the IDP, Budget and other strategic service delivery issues	Good Governance	Community Based Planning(CBP) is functional in all wards	Develop a coherent and cohesive system of governance and more equitable intergovernmental fiscal system
		Improve municipal financial and administrative capacity by implementing competency norms and standard and acting against incompetence and corruption	Basic Service Delivery and Infrastructure Development	Implementation of Work Skills Plan	Build and strengthen the administrative, institutional and financial capabilities of municipalities should have clean audits by 2015

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Sustainable resource management and use	Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced	Develop and implement water management plans to reduce water losses	Basic Service Delivery and Infrastructure Development	Maintain and upgrade reticulation networks Water services development plan in place	
		Ensure effective maintenance and rehabilitation of infrastructure	-	n/a	
		Run water and electricity saving awareness campaigns	-	n/a	
		Ensure proper management of municipal commonage and urban open space	-	n/a	
		Ensure development does not take place on wetlands	-	n/a	
Pursuing African advancement and enhanced international cooperation	Outcome 11: Create a better South Africa and contribute to a better and safer African and World	Role of local government is fairly limited in this area. Must concentrate on.		Covered under outcome 9	
		Ensure basic infrastructure is in place and properly	Basic Service Delivery and Infrastructure Development		

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		maintained			
		Create an enabling environment for investment	Basic Service Delivery and Infrastructure Development	SDBIP of the Basic Service Delivery	The creation of a single window of co-ordination, support, monitoring and intervention as to deal with uncoordinated interaction by other sphere of government with municipalities including unfunded mandate
		Comply with legal financial reporting requirements	Municipal Financial Management and Financial Viability	SDBIP of the CFO and Director Good Governance and Public Participation	
		Review municipal expenditures to eliminate wastage	Municipal Financial Management and Financial Viability	SDBIP of the CFO	
		Ensure council behave in ways to restore community trust in local government	Municipal Transformation and Organisational Development	SDBIP of Corporate Services with regard to administration	Restore the institutional integrity of municipality
					Develop and strengthen a politically and administratively stable system of municipalities
					Uprooting of corruption, nepotism, maladministration in our system of local government.

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Our expenditure on the capital budget to date has had its challenges that are outlined below. Of the total capital budget of R61 084 600, we have spent about R27 146 636. To date our municipal infrastructure Grant (MIG) Expenditure stands at 100%. We were in line to complete all the planned projects of year 0, however there were delays caused, because projects such as community halls could not be completed on time because of the specialised roofing Structure that Contractors could not get on time and the underlying rock in Kgokgole that hinders contractor's progress, these challenges have not gone unnoticed.

District municipality has made progress with the provision of 1972 VIP Toilets and ESKOM with the electrification of the following projects or Connections: 75 connections in Dipudi, 18 in Draaihoek, 60 in Magabue, 15 Gamodikwe, 200 Ganyesa, 599 Ganyesa RDP, 500 Tlakgameng RDP, 18 Gamodikwe, 24 Gamotsage, 29 Kagiso, 17 Kagisonyane, 29 Leew-Aar, 39 Phepane, 50 Morokweng-Monchusi and 23 Tlapeng

## **Public Participation**

Methods and/ or processes used to increase public awareness on service availability engage public in decision making and improve accountability to communities.

Since the adoption of our draft IDP in March 2014, we have had a series of public engagements or consultations on the draft. My appreciation goes to those members of our communities who took time to engage with us on the draft IDP.

The public has been engaged to participate in the affairs of the municipality through the IDP Representative forums that were held February 2014 and March 2014. The municipality regularly issues out notices and advertisement through the local newspapers and official notices on municipal notice boards using the dominant three (3) official languages i.e. Setswana, English and Afrikaans to inform the public on key documents that are to be considered and approved by Council such as the IDP ,MTREF Budget, SDBIP, Annual Reports and Oversight reports

## **Future Actions**

Municipality has targeted initiatives that are committed towards improving service delivery in the next financial year. The highlight is as follows:

- We have set aside an amount of R 213 000 for the Feasibility study on Tourism initiatives in Tseng, Konke (Ward 12) and Bona-Bona (Ward 9).
- R 11m is budgeted for community lighting projects (High mast Lights) in Gamanyai & part of Tlakgameng village.
- We are going to complete a Sport facility in Ganyesa (ward 5) with an amount of R5 000 000.

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The municipality will further spend R 6 400 000 in completing fencing of the following cemeteries and provide new fencing for Cemeteries in all 15 wards (2 per ward):

- Fencing of Mosokatlhogo Cemeteries (ward 11)
- Fencing of Matloding (ward 12) Cemeteries
- Fencing of Kudungwane (ward 1)
- Fencing of Ditshukutswaneng (ward 8)
- Fencing of Ganyesa
- Upgrading of Bray Cemeteries
- Upgrading of Tosca cemeteries

## **a. Agreements/Partnership**

The municipality have entered into agreements with service providers who are providing various services to the municipality

## **b. Conclusion**

I extend my sincere appreciation to the traditional leadership and all Councillors, the Senior management team led by the Municipal Manager for their tireless unwavering support to ensure that we developed the 2014/2015 IDP and MTREF Budget that are informed by community needs and priorities. The team effort put in crafting these key documents will go a long way to ensure that we all work as a collective to ensure we speed up service delivery to our communities.

Lastly, I would like to appreciate the support provided by our key stakeholders which is the community of Kagisano - Molopo Local Municipality who tirelessly participate in the IDP and Budget processes to demonstrate that the government is capable of delivering on immediate needs and promises. Your participative efforts show that you can still hold us to be responsive and ensure that we provide democratic and accountable governance.

---

**Cllr. K.V Kekesi**  
**Mayor**  
**29 August 2015**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

As the Accounting Officer of the Kagisano Molopo Local Municipality, I confirm that this 2014/15 Annual Report has been compiled in line with the Local Government guidelines and legislations:

- Municipal Systems Act 32 of 2000,
- Municipal Finance Management Act 56 of 2003,
- the National Treasury Circular No. 11, as well as
- The customized template and guidelines for municipal annual reports provided by the national Treasury.

The key priority areas of the institution during the year under review find their expression in the Municipality's Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan.

Although this Annual Report reflects considerable progress in the roll-out of services to our communities, we are acutely aware of the gaps and shortcomings that remain and are prioritizing initiatives and programmes to address these.

In this regard, the Municipality will develop a Short-Term Recovery Plan to stabilize the institution to address service delivery and development challenges.

- Review of Supply Chain Management Policy, Structures, Systems and Processes.
- Strengthen intergovernmental relations for mutual knowledge exchange and best practices.
- Promotion of sound labour relations.
- Strengthening internal controls and anti-fraud and anti-corruption initiatives.
- Maintaining an unqualified audit opinion and addressing matters of emphasis as reflected in the Auditor-General's report.
- Addressing institutional communication and reputational risks.
- Continue with the initiatives to entrench the culture of performance within the institution.
- Promoting financial discipline and management.

The municipality aligned its performance to the five local government key performance areas for the current term. This includes:

- Institutional Capacity and Municipal Transformation;
- Basic Service Delivery and Infrastructure Development;
- Local Economic Development;
- Financial Management and financial Viability and lastly
- Good Governance and Public Participation

The municipality's financial sustainability can be described as stable and in good standing despite lack of revenue collection. Our reliance on equitable share and conditional grants to sustain our

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development programmes does affect how we do our service planning and service delivery projections.

The municipality has shared service agreement with the district municipality regarding Internal Audit Services.

I would like to extend my warmest appreciation to the political leadership and staff of the Kagisano Molopo Local Municipality for their contribution to the progress made during the 2014/2015 financial year.

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**Ashmar Khuduge**  
**Municipal Manager**  
**29 August 2015**

# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

Kagisano-Molopo local Municipality (NW 397) is the second largest municipality in the District with a surface area of 27.278 km<sup>2</sup> in extent (58 % of the total area of the Dr Ruth S Mompoti District Municipality)

The municipality borders with the [Kgalagadi District](#) of the Republic of [Botswana](#), to the north, [Joe Morolong Local Municipality](#) in the [Northern Cape](#) province and to the south, [Naledi Local Municipality](#)

Kagisano-Molopo local municipality consists of 15 ward with 30 Councillors and 6 Traditional Leaders

#### **Water**

Kagisano Molopo Local Municipality has a total 28,531 households of which about 9888 has access to water on community stand; 200m from dwelling. There has also been a subtle rise in households that have access to piped water inside dwellings from only 8.3% in 2001 to 11, 3 % in 2011. 35 villages have access to water reticulation of (200m RDP standard) and 26 have access to reticulation which is below standard.

3,853 households have Piped (tap) water on community stand: distance between 200m and 500m from dwelling whereas 556 household have Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling and 3,086 households have no access to piped (tap) water

#### **Electricity**

21049 households (73.8%) have access to electricity for lighting. Great strides have been made in the provision of electricity from 64, 1 % in 2001 to 73, 8 % in 2011. A combined 7397 households use other forms of energy except electricity for lighting. 3000 households have no access to energy for lighting.

#### **Sanitation**

Kagisano-Molopo local Municipality have an estimated total of 12,346 households with acceptable access to sanitation services. A significant number of the households of about 4,332 are in need of acceptable level of sanitation services.

About 935 household use flush toilets, whilst 6,612 uses Pit toilet without ventilation.



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## COMMENT ON POPULATION DETAILS

### Population

According to the Census 2011, the total population of North West Province is 3 509 953, which is 6.77 % of the total population of South Africa standing at 51 770 561 people. The total population of Dr Ruth Segomotsi Mompati is 463 815 of the total population of North West Province and Kagisano-Molopo is standing at 105 789 (20.57%) of the total population of Dr Ruth S Mompati District Municipality.

### Age

According to Census 2011, the under 15 year's population group has seen a slight decrease. 15-64 and 65+ groups have seen a slight increase. A decrease in the dependency ratio means that more people are less independent on the economically active population group. This figure has decreased from 81 % to 77.1 %. There has been a slight increase in the male population

## COMMENT ON THE HOUSEHOLDS

	Household dynamics									
	Households		Average Household size		Female headed Households (%)		Formal dwellings (%)		% Housing owned/paying off	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Kagisano/Molopo	24811	28531	4,0	3,7	48,6	47,8	82,7	89,0	50,3	55,4

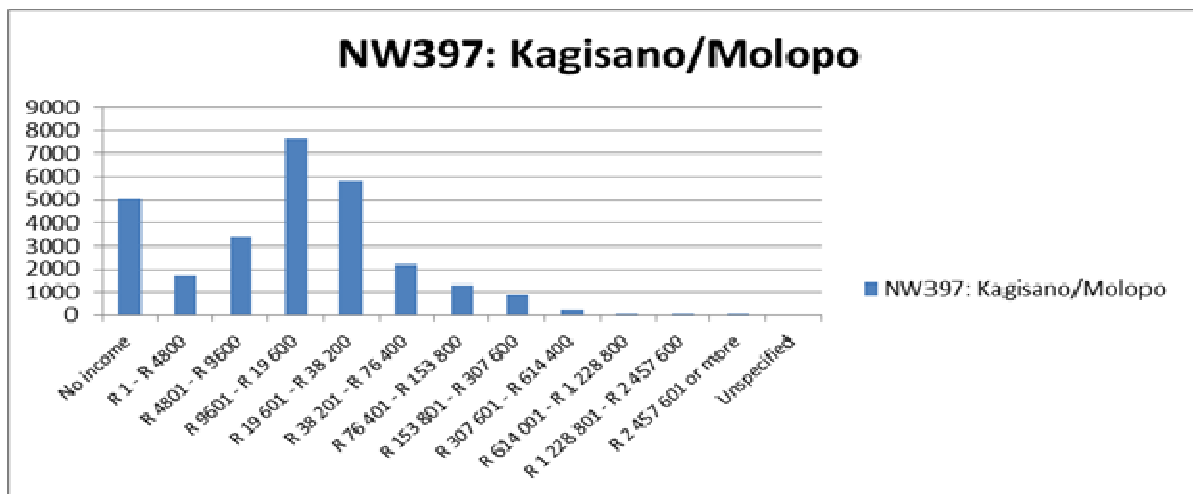
There has been a slight decrease in the number of female headed households. There has also been a positive increase in the number of formal dwellings and housing that is either owned or being paid off. Formal houses or brick and concrete block structures on separate stands. Informal settlements constitute 1944 of the entire 28531 households. These are shack structures which are in backyards and standalones on either squatter areas or farms

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SOCIO ECONOMIC STATUS							
Census 2001				Census 2011			
Employment Rate	Unemployed	Not Economically Active	Unemployment Rate	Employed	Unemployment	Not Economically Active	Unemployment Rate
12436	7972	35107	39%	14792	6405	38547	30%

The largest share of the economically active population earns between R9601 to 19600. It is followed by the R19601 to R38000. A significant share of the population has no income. They are therefore then unable to make injections into the local economy system.

There has been a drastic decrease in the number of unemployed people from 1996, 2001 to 2011. 30% is still however considerably high percentage of unemployment. Worryingly, there has been an increase in the number of people who are not economically active, especially between 1996 to 2001, and to a lesser degree 2001 to 2011.



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Natural Resources	
Major Natural Resource s	Relevance to Community
Land	<ul style="list-style-type: none"><li>• Access to land</li><li>• Security of tenure</li><li>• High Agricultural Potential</li><li>• Food Security</li></ul>
Water	Access to water Food production

## COMMENT ON BACKGROUND DATA:

The latest Census statistics shows that the total population of Kagisano-Molopo Local Municipality stands at about 105 789 people which has steadily grown from 100,468 in Census 2001.

In summary a rise in the population and households will have a negative impact on the delivery of services which are done per households. The municipality is already under pressure from existing basic service backlogs including housing, water and sanitation and refuse removal. Electricity provision remains on a steady rise. An increase in the number of people who are not economically active paints a bleak future; in addition to that key sectors of agriculture and government are in economic decline. A High unemployment rate continues to hinder economy growth. There is an abundance of the natural resource base where new opportunities for growth could be sought.

The under 15 year's population group has seen a slight decrease. The 15-64 and 65+ groups have seen a slight increase. A decrease in the dependency ratio means that more people are less independent on the economically active population group. This figure has decreased from 81 % to 77.1 %.

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## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

Census 2011 have shown a markedly improvement in the provision of services such as electricity where 21049 households (73.8%) have access to electricity for lighting. Great strides have been made in the provision of electricity from 64, 1 % in 2001 to 73, 8 % in 2011.

In terms of sanitation, the most utilized toilet facility is a VIP toilet (12346 households) followed by pit latrines (6612 households). Pit latrines pose problems when pit is dug in unstable soils.

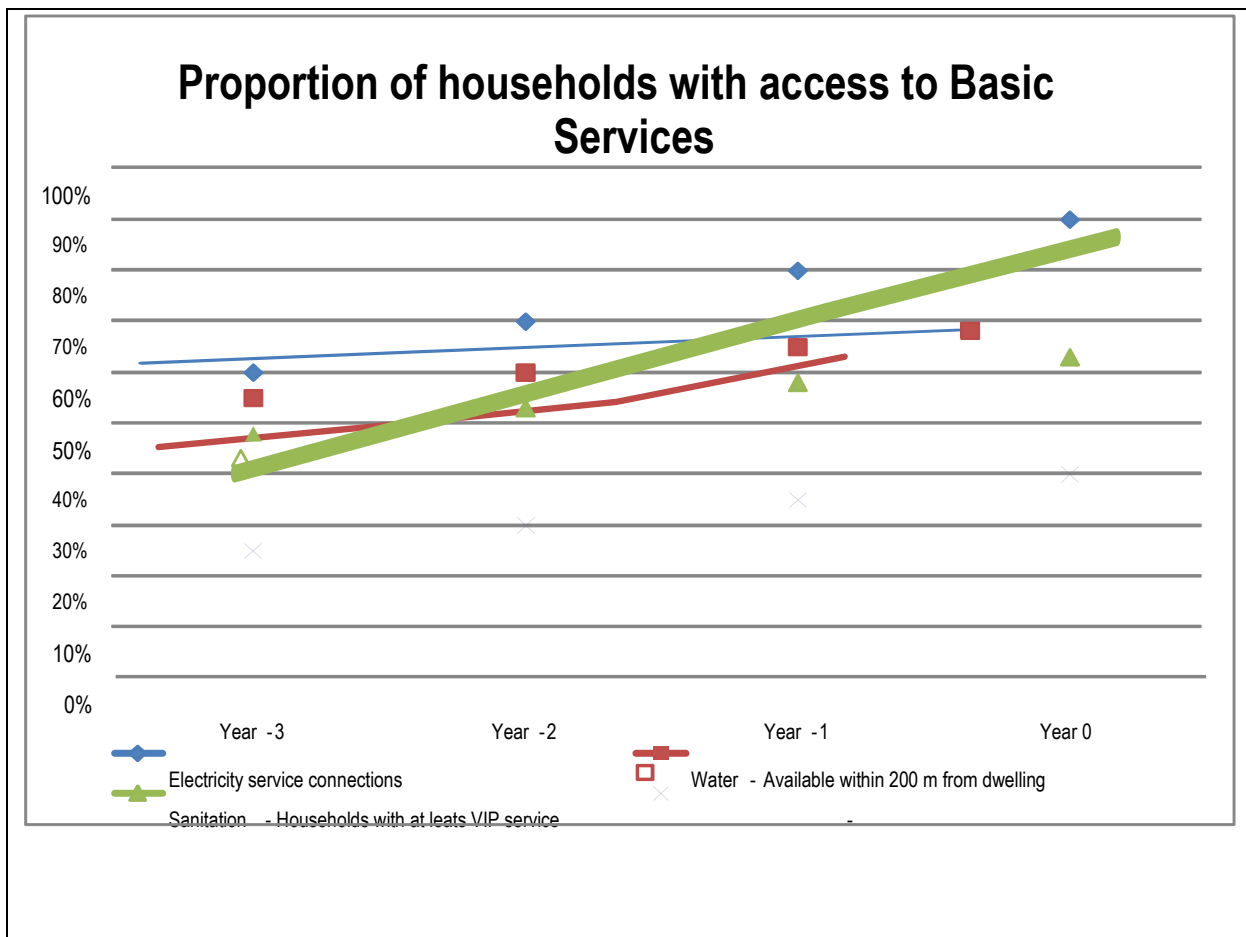
4332 households still have no access to a toilet facility Free Basic Water is provided to all consumers in all 15 wards. Water Service Providers (WSP) has neglected operation and maintenance in general. We have also provided free basic electricity to all registered indigents in our municipal indigent register; which is updated on an annual basis.

The municipality has signed contract on provision of free basic services with ESKOM.

The Challenge with regard to service delivery i.t.o water is as follows:

There is no Service level agreement with District as Water Service Authority

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## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

### FINANCIAL OVERVIEW YEAR 0

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

# Chapter 1

## OPERATING RATION

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

## COMMENT ON OPERATING RATIOS:

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

## TOTAL EXPENDITURE: YEAR +2 TO YEAR 0

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

## TOTAL EXPENDITURE

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

## COMMENT ON CAPITAL EXPENDITURE:

Please refer to Annual Financial Statement to be attached in Chapter 5 after being audited and issued in November 2015

# Chapter 1

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Kagisano-Molopo local municipality is experiencing problems with the participation of key intergovernmental role players. In these instances, sector department's participation in the IDP process has not been to the required level as expected. Sector department are not playing key role of integrating their sector plans when the IDP is drafted to ensure that there is synergy created between the municipality and the sector plans. This problem has persisted throughout the financial year and still creates problems when we have to develop a credible IDP.

#### **Effectiveness in Municipal Transformation**

The municipality has created path towards transformation, demonstrated by focused attention of reviewing the organogram in line with IDP priorities.

#### **Performance management**

The performance Management System has been implemented and sustained to ensure councillors and officials are able to monitor, review and report on performance.

The following KEY PMS elements were implemented

- The SDBIP was completed and aligned to the IDP and Budget. It was approved by the Mayor.
- Performance agreements were signed by the Municipal Manager and Section 56 Managers.
- PMS Framework adopted by Council

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The current year Auditor General Report was issued in November 2015. Refer to page 212 for the Auditor General Report.

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2014/2015 year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January



# Chapter 1

## COMMENT ON THE ANNUAL REPORT PROCESS:

The Annual Report processes provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is important that Municipal Manager ensures that reports are submitted timeously. If the processes flow is followed, the municipality should be able to provide an unaudited Annual Report in August of each year, which is consistent with the MFMA.

One of the advantage of compiling an unaudited Annual Report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An Unaudited Annual Report submitted in August will further provide the municipality with an opportunity to review the function areas that receive attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention. The Annual report of the municipality must be tabled in the municipal council on or before 31<sup>st</sup> January each year (MFMA S127). In order to enhance oversight function of the Council, this must be interpreted as an outer deadline; hence the municipality must submit the Annual Report as soon as possible after year end, namely August. The entire processes are concluded in the first or second week of December for all municipalities, the same year in which the financial ends and not a year later, as is currently the case.

The Annual Report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, Budget, SDBIP, in-year reports, annual performance and Annual report should have similar and consistent information to facilitate understanding and to enable the linkages between plans and actual performance.

The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24)

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Council or political wing of the municipality ensures that there is regular communication with community through Ward Committee meetings, Ward meetings, Izimbizo, Community Based Planning meetings, IDP and Budget processes or consultations. These processes ensure that the community is engaged and or involved in making inputs for which they aspire.

Community therefore participates in identifying their needs and make inputs on the performance of the municipality. Through these processes the municipality ensures that there exists a healthy relationship between the municipality as an institution and the community which effort minimizes conflicts from the side of the community to the municipality.

Administrative governance ensures that the political aspirations are upheld at all times by giving feedback regularly to the community. It is incumbent upon administration to ensure compliance is done at all times as per the legislations. Most importantly Administration regularly give advice to political wing.

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

Kagisano Molopo Local Municipal Council consists of thirty (30) Councillors, Fifteen (15) are elected Ward Councillors and the other fifteen (15) are Proportional Representative (PR) Councillors from different political parties. There are six (6) Executive Committee (EXCO) members led by the Mayor and Five (5) other members of the Executive Committee.

Political parties represented in Kagisano Molopo Local Municipality are ANC, DA, UCDP, ACDP and COPE. Council held 9 meetings whiles Executive Committee held 5 meetings.

Kagisano Molopo Local Municipal council further consists of six (6) Tribal Council representatives (Dikgosi). The said Traditional leader's representatives participate in the proceedings of the council and are compensated for their sitting. They are also subject to the appropriate Code of Conduct set out in Schedule 1 of Local Government Municipal Systems Act, 2 000.

The municipality has a functional Municipal Public Accounts Committee (MPAC) which held its meetings regularly and attended District and Provincial Forums. They have held five (5) meetings.

The municipality utilises the District's Audit committee. This committee liaises with the municipality in terms of when and how auditing is conducted. This arrangement is always done before hand to enable the municipality to respond positively to their needs and or requirements whereupon they are able to express their opinions and recommendations on both financials and general performance of the municipality.

# Chapter 2

## MEMBERS OF THE EXECUTIVE COMMITTEE



*Cllr. K. V. Kekesi  
Mayor*



*Cllr. B.B Ditakgwe  
MMC: Infrastructure*



*Cllr B. C. Chichindua  
MMC: Community Services,  
LED & Tourism*



*Cllr R.S Modise  
MMC: Corporate Services*



*Cllr. S.K. Moreki  
MMC: Good Governance &  
Public Participation*



*Cllr. T.V Setae  
MMC: Budget & Treasury*

# Chapter 2

POLITICAL STRUCTURE	FUNCTIONS
<p><b>MAYOR</b></p>  <p>Cllr K. V Kekesi</p>	<ul style="list-style-type: none"> <li>• Provides political guidance and over the fiscal and financial affairs of the municipality</li> <li>• Oversees the preparation of the annual Budget</li> <li>• Submits quarterly reports to Council on the implementation of the Budget and the financial status of the municipality</li> <li>• Coordinates the annual review of the IDP</li> <li>• Ensures that the Executive Committee performs its functions properly</li> <li>• Convenes public hearings and meetings</li> <li>• Identifies the needs of the community in terms of the IDP processes</li> <li>• Reviews those needs in order of priority</li> <li>• Recommends to the municipal council strategies, programmes and services to address priority needs through the IDP, estimates revenues and expenditures, taking into account any applicable National and Provincial Plans</li> <li>• Recommends and determines the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ul>
<p><b>SPEAKER</b></p>  <p>Cllr S K M Namusi</p>	<ul style="list-style-type: none"> <li>• Presides over the council meetings and maintains order during council meetings.</li> <li>• Ensures that the council meets at least quarterly</li> <li>• Ensures that the rules of order are complied with during the council meetings.</li> <li>• Executes any other duty as delegated to the Speaker in terms of the Council delegation systems</li> <li>• Ensures that Councillors adhere to the Code of Conduct</li> <li>• Supports Councillors</li> <li>• Facilitates public participation</li> <li>• Coordinates the establishment and functionality of Ward Committees</li> </ul>
<p><b>EXECUTIVE COMMITTEE MEMBERS</b> Cllr S R Modise Cllr B C Chichindua Cllr T V Setae Cllr B B Ditakgwe Cllr K S Moreki</p>	<ul style="list-style-type: none"> <li>• Assists and advises the Mayor</li> <li>• Presides over Portfolio Committee meetings</li> <li>• Maintains order during Portfolio Committee meetings</li> <li>• Performs any Mayoral powers as delegated by the Mayor</li> <li>• Performs any specific responsibility delegated by the Mayor</li> <li>• Play oversight role to their respective departments</li> </ul>

# Chapter 2

## **P R COUNCILLORS**

Cllr K.V Kekesi  
Cllr S K M Namusi  
Cllr B C Chichindua  
Cllr A W Molale  
Cllr P R Mmereki  
Cllr L M Bahumi  
Cllr L E Gaobepe-Boemo

Cllr M E Sedumecwe  
Cllr M Seeletso  
Cllr N J d Muller  
Cllr Z M J Z Cufa  
Cllr T V Setae  
Cllr K D Baepi  
Cllr MJ Ntlhaile  
Cllr B C Mothibi

## **WARD COUNCILLORS**

Cllr K S Moreki  
Cllr T Z Baakanyang  
Cllr I F Ratshipa  
Cllr M T Miguel  
Cllr S G Ngamole  
Cllr T A Matlhe  
Cllr O A Phillip  
Cllr n F Seswai  
Cllr T C Loabile  
Cllr B B Dithakgwe  
Cllr G K Nthebotsenyane  
Cllr S R Modise  
Cllr T M Lenner  
Cllr M M Diphikwe  
Cllr T M Olaotswe

Fifteen (15) Ward Councillors and fifteen (15) Proportional Representative Councillors were elected and ANC won all Ward Councillors seats and nine (9) Proportional Representative Seats. DA and UCDP won two (2) seats each while COPE and ACDP won one (1) seat each for proportional representation.

# Chapter 2

## POLITICAL DECISION-TAKING

Kagisano Molopo Local Municipal Council has Executive Committee with powers delegated to it and handles matters which in turn recommends to Council for consideration. Such issues are subsequently finalized by Council upon recommendation by Executive Committee.

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is appointed in terms of Part 7 Section 82 of the Municipal Structures Act, 117 of 98 as amended. The Municipal Manager is therefore the head of the administration and is therefore the Accounting Officer.

The Municipal Manager, in terms of section 55 of the municipal Systems Act, 32 of 2 000 as amended as Head of Administration is subject to policy directives of the municipal council responsible for the formation and development of an efficient, effective, economic and accountable administration and must manage the municipality in accordance with all legislations and policies pertaining to Local Government.

In terms of Section 50 of Municipal Systems Act 32 of 2 000 as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager who must have relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Municipal Manager is also accountable for income and expenditure and all assets as well as the discharge of liabilities of the municipality including proper and diligent compliance with Municipal Finance Management Act, 5d3 of 2003.

All directors are accountable to the municipal Manager in terms of their strategic management and oversight of their departments. All budget expenditure in each directorate is managed by the Director in order to ensure that service delivery matters are delivered promptly.



# Chapter 2

## TOP ADMINISTRATIVE STRUCTURE


DESIGNATION	FUNCTIONS
<p><b>MUNICIPAL MANAGER</b></p>  <p><b>Mr. A Khuduge</b></p>	<ul style="list-style-type: none"> <li>• Establishing and developing an economic , efficient, effective and accountable administration,</li> <li>• Implementing and managing the local municipality's performance management system'</li> <li>• Coordinating and implementing the municipality's IDP</li> <li>• Managing the Municipality's Administration in accordance with the Constitution, the Local government Structures Act, the Municipal Systems Act, and all other National and Provincial legislations applicable to the local Municipality</li> <li>• Managing the provision of services to the community in a sustainable manner</li> <li>• Developing and maintaining a system to access community satisfaction with municipal services</li> <li>• Appointing, managing and effectively utilising and training staff and discipline</li> <li>• Promoting sound labour relations and compliance with applicable labour legislations</li> <li>• Advising political structures and political office bearers of the municipality, managing communication between them, administering, implementing council resolutions and carrying out council decisions</li> <li>• Being responsible for all income and expenditure of the municipality, all assets, the discharge of all liabilities of the municipality with proper and diligent compliance with Municipal Finance management legislation</li> <li>• Implementing strategic goals of the municipality through cooperation and innovative teamwork</li> </ul>
<p><b>DIRECTOR: CORPORATE SERVICE</b></p>  <p><b>Advocate B G Selebogo</b></p>	<ul style="list-style-type: none"> <li>• Managing and controlling various line functions within the Directorate which include general administration, Human resources, Council Support, Corporate strategy, Information Technology and Communications and security Services.</li> <li>• Leading, directing and managing staff within the Department so that they are to meet their objectives</li> <li>• Staff control and discipline</li> <li>• Rendering support by advising and overseeing all matters of procedure relating to minutes and resolutions of the Council Committees</li> </ul>

# Chapter 2

	<ul style="list-style-type: none"> <li>• Planning, organising, coordinating and controlling the activities of management and administration section</li> <li>• Providing administration support to political Office Bearers</li> <li>• Managing and controlling the compilation and execution of the departmental capital and operating budget</li> <li>• Executing any function delegated by the Municipal Manager in terms of powers and delegations in the relevant legislation and related to this post Developing, implementing Collective Agreements and managing strategic goals, policies, procedures and plans</li> <li>• Administering records/archives registry, skills development, legal matters and Employment Equity</li> <li>• Ensuring proper administration of Council delegation System</li> <li>• Providing secretarial services to council and its Committees</li> </ul>
<p><b>ACTING CHIEF FINANCIAL OFFICER BUDGET &amp; TREASURY</b></p>  <p><b>Mr. O O Ntsimane</b></p>	<ul style="list-style-type: none"> <li>• Reporting directly to the municipal Manager on key departmental activities</li> <li>• Overall management of the Budget and Treasury office</li> <li>• Implement the Integrated Development plan (IDP) as well as the strategic goals of the budget &amp; Treasury office/Directorate</li> <li>• Implement Service delivery and Budget Implementation Plan (SDBIP)</li> <li>• Develop and develop key strategic/business plans including supply Chain Management, Revenue Management, Expenditure management and Budget reporting</li> <li>• Prepare and implement municipal budget</li> <li>• Prepare Annual Financial statements and other mandatory financial management reports</li> <li>• Manage Departmental budget, human resource and other resources in accordance with local government legislations</li> <li>• Establish, operate and maintain support structures, processes and systems</li> <li>• Direct and control key deliverables and outcomes for the department, liaise with internal and external stakeholders</li> <li>• Facilitate stakeholder participation and involvement</li> <li>• Ensure legislative, regulatory, policy, practices and operating standards compliance</li> <li>• management and monitoring of all income, expenditure, assets and liabilities, Cash-flow management</li> <li>• Ensure implementation of GRAP standards</li> <li>• Ensure the development of appropriate Strategies, Policies and plans for all Areas in the department linked to the IDP and that will also have a measurable positive impact on the financial performance</li> <li>• Develop and implement Supply Chain management Policy, specific procedures, systems and controls</li> </ul>



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	<ul style="list-style-type: none"> <li>• Ensure timely preparation of Budget and Financial Statements</li> <li>• Implement all Budget Policies and ensure they comply with applicable legislation and National Treasury Regulations</li> </ul>
<p><b>DIRECTOR: COMMUNITY SERVICE, LED AND TOURISM</b></p> <p>Ms G E Kegopotsemang</p>	<ul style="list-style-type: none"> <li>• To provide strategic management and leadership to the Department</li> <li>• Ensure co-ordination, integration and uninterrupted provision of Community services</li> <li>• Integrate service delivery in the context of Council's IDP and oversee implementation</li> <li>• Participate in the IDP, SDBIP and budget processes of the municipality</li> <li>• Manage the Directorate budget planning, implementation and Budget review to support priorities and the deliverables</li> <li>• Promotion of Local Economic Development projects</li> <li>• Manage Departmental personnel</li> <li>• Develop and manage LED and tourism strategies in line DGDS, PGDS, NSGD, ASSGISA and JIPSA.</li> <li>• Prepare and submit reports on department's Service Delivery and Budget Implementation Plan (SDBIP) Implement adequate community participation strategies</li> <li>• Source funding for economic development projects through donors and investors</li> <li>• Facilitate partnership between investors, donors and business community in the area</li> </ul>
<p><b>ACTING DIRECTOR: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b></p>  <p><b>Mr. O E Pitso</b></p>	<ul style="list-style-type: none"> <li>• Overseeing the execution of the IDP Programmes attached to the Department and monitoring individual performance management</li> <li>• Prepare and submit reports on department's Service Delivery and Budget Implementation Plan (SDBIP) Implement adequate community participation strategies</li> <li>• Integrate service delivery in the context of Council's IDP and oversee implementation</li> <li>• Responsible for monitoring the day to day activities in the offices of the Mayor, Speaker and the Municipal Manager</li> <li>• Liaise with the Departments in the organization and monitoring of programmes related to service delivery</li> <li>• Oversee the department, implementation and development of the Communication strategy for the municipality</li> <li>• Ensure consistent communication between the office of the Mayor, internal and external stakeholders regarding programmes pursued by the municipality</li> <li>• Develop, implement and review policies with regard to special</li> </ul>

# Chapter 2

	<p>programmes such as youth development, older persons, disability rights, children's rights, women empowerment and gender equality, HIV and AIDS, STI, and TB Programmes, sports development and moral regeneration</p> <ul style="list-style-type: none"> <li>• Ensure advocacy for and monitoring of the mainstreaming of the designated programmes developmental targets into municipal sectorial plans as well as performance contracts of Section 56 Managers</li> <li>• Prepare and re on the SDBIP and manage personnel in the offices of the Mayor and speaker</li> </ul>
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## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Inter-Governmental Strategy was developed by the district Municipality to promote and facilitate inter-governmental relations as well as providing mechanisms and procedures to facilitate co-operative, planning, implementation and delivery on two levels:

- Between the District and Kagisano Molopo Local Municipality and Government Departments (at National, Provincial, District and this Municipality) and
- Between the District and the Provincial Government of the North West province.

The strategy focuses on the establishment of an Intergovernmental Forum for the District.

### 2.3 INTERGOVERNMENTAL RELATIONS

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

Kagisano Molopo local municipality is currently represented by the District Municipality In different Forums coordinated by National Department on different matters of mutual interest affecting all spheres of Government.

#### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Intergovernmental structure consists of the following:

1. North West Premier's Coordinating Council
2. Provincial Lekgotla
3. SALGA

The value of participating in these fora, among other things, is discussion on how municipalities will be able to achieve clean audit. How municipalities could address all challenges facing them with support from Provincial and National Departments.

# Chapter 2

## DISTRICT INTERGOVERNMENTAL STRUCTURES

Kagisano-Molopo Local Municipality takes part in different District Forums e.g. District Technical Forum, Communication Forum and LED Forum to discuss issues of mutual interest

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has in the past been involved in rigorous public participation through Ward Committees, Ward meetings, CDWs, Izimbizo, Mayoral Outreach Programmes and CBP activities.

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

Through the Communication unit the municipality ensures that communication at all levels is maintained. The Communication Officer is also a member of the District Communication forum.

Our current communication initiative is the newsletter for the year. We utilise Radio, Stellander News Paper, Ganyesa media News and at times City Press to communicate with communities.

For the Mayoral Outreach programme and Community Based Planning Consultations we use media for notification purpose. The Loud hailing is done a day before the Mayor reaches out to the community.

Finally, when the Mayor does Budget Speech all members of the community are invited through all social media at our disposal. For the IDP representative forum meeting all relevant stakeholders are invited and this is the platform enough to interact with majority of stakeholders, particularly the public.

# Chapter 2

## WARD COMMITTEES

The Municipality has established 15 ward committees and they are all functional. The 2 Community Liaison Officers (CLOs) coordinate their activities and provide support at all times. These committees are chaired by Ward Councilor as Chairperson. Ward Committees serve as advisors and recommend to Ward Councillors any matter they find pertinent to deal with.

The municipal council makes rules that guide ward committees. Rules stipulate how members of ward committees are appointed, how often ward committee meetings will be convened and circumstances that may lead to ward committee member's termination of membership.

The Ward Committees has established Operational plan which informs the Government about the needs of communities per ward.

### **The purpose of Ward Committee is to:**

- Get better participation from the community to inform council decisions
- Make sure that there is effective communication between the council and the community
- Assist ward Councillors with consultation and report back to the community
- Advise the Ward Councilors on issues and development in the community

### **Structure of Ward Committee:**

A Ward Committee consists of the Councillors who represents the ward, as elected in, during the Local Government Elections with a maximum of 10 people from the ward who are elected by the community they serve. The ward Councilors is the Chairperson of the ward committee. Members of ward Committee receive sitting allowances.

### **Roles and Responsibilities of the Local Municipality:**

Kagisano Molopo Local Municipality provide support and monitoring of ward committees through the utilization of the two CLOs through the office of the Speaker.

**Table below presents number of Ward Committee Elected per Ward**

Ward Number	Number of Members		Ward Number	Number of Members
1	10		9	10
2	10		10	10
3	10		11	10
4	10		12	10
5	10		13	10
6	10		14	10
7	10		15	10
8	10			

# Chapter 2

- 15 Secretaries were trained in Minutes Taking and Report Writing
- All attended workshop on roles and responsibilities
- 15 Ward Committee Secretaries serve as members of Ward Committee Forum which is convened per Quarter.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral Outreach Programme	25 May 2015	20	All Senior Managers, All Line Managers and 6 Junior officials	500	Yes Budget for next Years, Summary of Operational revenue per Type	Refer to IDP – 2014/2015 Document
	21 May 2015	23	15	600	Yes	Refer to IDP – 2014/2015 Document
Community Based Planning Consultations	28,30 October 2014	30	IDP Manager IDP Officer 2 CLOs CDWs Ward Committee Members	2000	Yes Priorities & Budget	Refer to IDP – 2014/2015 Document
COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:						
Community members are informed of the challenges the Government faces. They have in turn presented their needs and appreciated the information on development given to them. The community members participated in the IDP processes before it got approved in May 2013						

# Chapter 2

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

# Chapter 2

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Cooperative governance is governed by King ii & iii Code of Practice applicable to Local Government Sphere.

### 2.6 RISK MANAGEMENT

#### RISK MANAGEMENT

The Municipal Council has adopted the Risk Management Policy and Risk register to deal with risk issues in the municipality. Risks are assessed based on two parameters, viz. the likelihood of the Risk occurring and the impact could have on operations.

### 2.7 ANTI-CORRUPTION AND FRAUD

#### FRAUD AND ANTI-CORRUPTION STRATEGY

The Fraud Prevention and response Plan would provide municipal employees both Management and Staff and other stake holders such as the public, service providers and non-governmental organizations with essential information regarding the anti-corruption campaign and the responsibilities of the various role players in combating corruption.

### 2.8 SUPPLY CHAIN MANAGEMENT

#### OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) policy is reviewed on annual basis. It plays a huge impact on the reduction of irregular & wasteful expenditure. The policy assists on matters of compliance at all times. There are three committees in place to ensure the processes of SCM are carried out. These committees are: Bid Specification Committee (BSC), Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC).

# Chapter 2

## 2.9 BY-LAWS

### COMMENT ON BY-LAWS:

The Department of Rural Development and Land Reform has developed the By-Laws on the use land development and subsequently the municipality customised to suit the municipal environment.

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	No	N/A
All current budget-related policies	No	N/A
The previous annual report (Year -1)	No	N/A
The annual report (Year 0) published/to be published	No	N/A
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	N/A
All service delivery agreements (Year 0)	No	N/A
All long-term borrowing contracts (Year 0)	No	N/A
All supply chain management contracts above a prescribed value (give value) for Year 0	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	N/A
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	N/A
Public-private partnership agreements referred to in section 120 made in Year 0	No	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	N/A

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Municipality has created the Municipal Website during the last Quarter of the 2014/2015 Financial Year which is not yet fuctional. Once all processs pertaining the website are concluded in the first quarter of the 2015/2016 financial Year, employees will be in a position to access it.



# Chapter 2

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFCATION LEVELS

Since the dawn of Democracy, the South African government has made efforts in transforming the Public Service to respond to the needs of its citizens. Improved service delivery has therefore, become the cornerstone of this municipality programmes. The municipality has embraced a community-centered development approach which has necessitated an active involvement and participation of communities not only in service delivery, but also in policy and policy formulation. The community involvement is critical in issues pertaining to Community Based Planning, IDP processes, Budget allocation to projects and programmes, Izimbizo, Mayoral Outreach Programme, Policy making.

Kagisano Molopo local Municipality in particular has embarked on the effort to ensure service delivery is improved by putting mechanisms in place like Budget related policies, e.g. SCM policy, HR policies to name but few. The impact of such policies assists in ensuring improvement in service delivery.

On the note of putting mechanisms in place, it has helped the municipality also to address the three year backlog it had on the Financial Statements and Annual Reports. This has given hope to attaining a good qualification in future.

# Chapter 3

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

Our expenditure on the capital budget to date has had its challenges that are outlined below. Of the total capital budget R49 900 000, we have spent about R37 849 346.03 to date. Our municipal infrastructure Grant (MIG) expenditure stand at 100 % to date.

Three Community Hall that is, Kgokgole Community Hall, Phaposane Community Hall and Goodwood Community Hall could not be completed due to structural problems and they will be completed by the first Quarter of the 2015/2016 financial Year including fencing of the following 5 cemeteries: Matloding Ditshukutswhaneng, Ganyesa, Kudunkgwane and Mosokatlhogo.

District municipality has made progress with the provision of 1972 VIP Toilets in all wards however there is still a huge shortage. ESKOM has also made a significant progress with the electrification of the following projects or Connections: 75 connections in Dipudi, 18 in Draaihoek, 60 in Magabue, 15 Gamodikwe, 200 Ganyesa different Sections, 600 in Ganyesa RDP, 500 Tlakgameng RDP, 18 Gamodikwe, 24 Gamotsage, 29 Kagiso, 17 Kagisonyane, 29 Leew-Aar, 39 Phepane, 50 Morokweng-Monchusi and 23 Tlapeng

# Chapter 3

## COMPONENT A: BASIC SERVICES

This component includes: water; sanitation, electricity and housing services and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

The main objective of basic services is to improve the lives of community members and provide access to services such as water, sanitation, electricity and housing. Census 2011 have shown a markedly improvement in the provision of services such as electricity where 21049 households (73.8%) have access to electricity for lighting. Great strides have been made in the provision of electricity from 64, 1 % in 2001 to 73, 8 % in 2011. In terms of sanitation, the most utilized toilet facility is a VIP toilet (12346 households) followed by pit latrines (6612 households). Pit latrines pose problems when pit is dug in unstable soils. 4332 households still have no access to a toilet facility. However projects are undertaken by the District Municipality to address these issues.

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

Water services is the responsibility of the District Municipality as the Water Service Authority; Kagisano-Molopo Local Municipality is only responsible for the monitoring of water projects within the Municipal area. Water projects were monitored as.

Water Service Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective: To monitor the provision of water									
Number of Rural Water supply programme meeting attended	3 water projects monitored by end of June 2014	3 water projects monitored by end of June 2014	4 water projects were monitored as follows:  3 water projects of rural water supply programme 13.78% completed as follows: 1. Kgokgojane, 2. Pouval and 3. Madinonyane  1 water project of rural water refurbishment programme 80% completed as follows: 4. Esperanza(Pomfret	None	12 Rural Water supply programme meeting attended by end of June 2015	12 Rural Water supply programme meeting attended as follows to	None	None	None

# Chapter 3

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	N/A
16 - 18	0	0	0	0	N/A
19 - 20	0	0	0	0	N/A
Total	1	2	1	0	100%

# Chapter 3

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

Sanitation services is the responsibility or Function of the District Municipality; Kagisano-Molopo Local Municipality is only responsible for the monitoring of sanitation projects within the Municipal area

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective To monitor the provision of sanitation									
Number of sanitation projects monitored	4 Sanitation programme meeting monitored by end of June 2014	4 Sanitation programme meeting attended by end of June 2014	All 4 sanitation programme meeting attended	4 Sanitation programme meeting attended by end of June 2014	12 rural housing sanitation programme meeting attended by end of June 2015	12 rural housing sanitation programme meeting attended to.	None	None	None

# Chapter 3

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
Total	1	2	1	1	100%

# Chapter 3

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

Electricity services is the responsibility or Function of Eskom; Kagisano-Molopo Local Municipality is only responsible for the identification and monitoring of electrification projects within their Municipal area. The table below illustrate the performance of Kagisano-Molopo Local Municipality with regard to monitoring electrification projects implemented by the Eskom.

Electricity Service Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective To monitor the provision of electricity									
Number of electrification projects monitored	5 monitored electrification projects by end of June 2014	5 monitored electrification projects by end of June 2014	5 electrification projects monitored as follows: 1. Bailele Ext-Complete-Energised 2. Morokweng Ext (Botsalano-ward 11)-Complete-Energised 3. Morokweng Ext (Ikageng-ward 11)-In-Construction 4. Morokweng Ext (Masimo-ward 10)-Complete-Energised 5. Morokweng RDP(Ward 10)-Complete-Energised	None	4 electricity project management meetings attended by 30 June 2015	4 electricity project management meetings were attended to.	None	None	None



# Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	N/A
16 - 18	0	0	0	0	N/A
19 - 20	0	0	0	0	N/A
Total	3	3	3	0	0%

# Chapter 3

## 3.4 HOUSING

### INTRODUCTION TO HOUSING

Housing services is the responsibility of Department of Local Government and Housing; Kagisano-Molopo Local Municipality is only responsible for the identification and monitoring of housing projects within their Municipal area. The table below illustrate the performance of Kagisano-Molopo Local Municipality with regard to monitoring housing projects implemented by Department of Local Government and Housing.

Housing Service Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year 0 (2014/15)		Year 1 (2013/14)		Year 2 (2015/16)	Year 3 (2016/17)		
		Target	Actual	Target	Actual		Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective To monitor the provision of housing</b>									
Number of housing projects monitored	12 Monitored housing projects by end of June 2015	12 Monitored housing projects by end of June 2015	4 Monitored housing projects meeting attended to	3 Monitored housing projects by end of June 2014	None	None	None	None	None

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

# Chapter 3

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### FREE BASIC SERVICES AND INDIGENT SUPPORT

The overall objective is to substantially eradicate those elements of poverty throughout Kagisano-Molopo Municipal area. Those individuals classified as indigent should have access to basic water supply, sanitation, energy and refuse services.

The municipality has signed contract on provision of free basic electricity with ESKOM, and as a result the indigent register is updated on daily basis. For provision of free basic electricity.

With regards to Free Basic Water, all consumers in all the 15 wards were provided with the FBW; however Water Service Providers (WSP) has neglected their operation and maintenance in general.

# Chapter 3

## COMPONENT B: ROAD TRANSPORT

### INTRODUCTION TO ROAD TRANSPORT

The major road links is R378 which links Ganyesa, Tosca and Bray from Vryburg and surrounding villages. Other smaller feeder roads exists connecting villages to the main rural towns/villages. However, most of these are not tarred and largely unusable during summer when occasional flooding occurs. This makes access between the villages and rural towns impossible.

The road passing from Tlakgameng through Ganyesa to the south west is a primary route, serving as the main link to Kuruman.

In addition, the road from Vryburg through Ganyesa through Vorstershoop and eventually Botswana (R378) is a primary route. This has a high volume of traffic, which is mainly private vehicles and agricultural related transport. Morokweng – Ganyesa route is a primary route, mainly for private vehicles.

Secondary routes are in the northwest section of the municipality. The road from Morokweng through Ga-Modikwe, Bona-Bona and Kagiso serves as a secondary link to Kuruman. The road linking Bona-Bona through Kokwana to the R379 is also a secondary route. All of the areas are connected with gravel roads infrastructure but in most cases longer distances need to be travelled to gain access to these areas via a main arterial tarred road. All roads in 75 villages are not serviced. These are in the form of gravelled roads. There are no resources (Skilled personnel and plant) in place to support the delivery of serviced roads and to do operation and maintenance. The municipality is fully reliant on the Department of public works.

There is currently no integrated road plan in place. Council has approved SLA in relation to Spatial Development Framework (SDF).

# Chapter 3

## 3.7 ROADS

Road Service Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1 (2013/14)		Year 0(2014/15)			Year 2 (2015/16)	Year 3(2016/17)	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective To upgrade internal roads									
Number of Internal roads to be constructed	2 Internal roads to be constructed at Ethol and Bray by 30 June 2015	3 constructed internal roads in Monnaphang, Keipatile and Ethol by end of June 2014	2 Internal roads constructed in Monnaphang, Keipatile and Ethol are still under construction	3 constructed internal roads in Monnaphang, Keipatile and Ethol by end of June 2014	2 constructed internal roads in Bray and Ethol by 30 June 2015	2 constructed internal roads in Bray and Ethol	None	None	None

# Chapter 3

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	N/A
16 - 18	0	0	0	0	N/A
19 - 20	0	0	0	0	N/A
Total	2	2	2	0	0%

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

Department of Transport and Public Safety is currently busy with the Development of Integrated transport Plan and once completed the municipality will adopt the strategy

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

All the planned Access Roads will have the stormwater drainage system

# Chapter 3

## COMPONENT C: LOCAL ECONOMIC DEVELOPMENT

### INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is an approach to economic development within the municipal area to ensure job opportunities and better lives of people. Various initiatives are undertaken to ensure that local people are equipped with skills and training so that they are able to create jobs for themselves than depending on government for employment opportunities. Various projects were supported to ensure development in the Kagisano-Molopo area, in which jobs were ultimately created. These projects were supported through procurement of various materials and equipment to ensure effective implementation of them. They included Bosele Bokamoso, Ribololang talent crafters, Itireleng ka Diatla Crafters, Motheo Nursery

### 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	25%
4 - 6	3	3	3	0	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
Total	5	5	5	0	75%

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year -2	1	250
Year -1	1	180
Year 0	1	220

# Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective To promote LED and Tourism									
Number of Establishment of Car Wash in Gamanyai	One established Car Wash in Ganyesa by 30 June 2015	None	None	None	One established Car Wash in Gamanyai by 30 June 2015	One established Car wash and supported	NONE	None	None
Number of Establishment of Glass Recycling project in Morokweng and Maheng	One established Glass recycling project in Morokweng and Maheng by 30 June 2015	None	None	None	Two established Glass recycling project in at Maheng(ward 11) and Kokwana ( ward 12) by 30 June 2015	The Glass recycling project in Kokwana and Maheng established	NONE	None	None
Number of Jobs to be created through EPWP	Create 180 Jobs through EPWP by 30 June 2015	None	None	None	Create 220 Jobs through EPWP by 30 June 2015	220 jobs were not created through EPWP	NONE	None	None



# Chapter 3

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries, community halls; cemeteries; child care; aged care; social programmes

### 3.11 LIBRARIES AND COMMUNITY FACILITIES

#### INTRODUCTION TO LIBRARIES AND COMMUNITY FACILITIES

Kagisano-Molopo Local Municipality is operating three libraries in order for community members to have access to sources of information for educational reference and borrowing. There are also library awareness conducted by the Municipality to ensure the functionality of the libraries. Thusong service centres are also operational to provide access to government services and information. These projects have contributed in improving the lives of disadvantaged communities around Kagisano-Molopo Municipal area. The table below illustrate the performance of some of the top objectives set by the Municipality in its Integrated Development Plan.

Libraries and Community Facilities Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective To ensure effective Local Economic Development</b>									
Number of operational Libraries	48 (12 *4) Awareness Campaigns held for Ganyesa-, Morokweng , Tosca & Vorstershoop by 30 June 2015	3 operational Libraries by 30 June 2014	three libraries are operational	3 operational Libraries by 30 June 2014	48 (12 *4) Awareness Campaigns held for Ganyesa-, Morokweng , Tosca & Vorstershoop by 30 June 2015	48 Awareness Campaigns held for Ganyesa-, Morokweng , Tosca & Vorstershoop	None	None	None
Number of operational thusong Service centres	Number of Thusong center accessible for Government department services	1 Operational Thusong Service Centre by 30 June 2014	1 Thusong service centre is operational	1 Operational Thusong Service Centre by 30 June 2014	3 Thusong Service accessible for Government department services Centre by 30 June 2015	3 Thusong service centres accessible for Government department services	None	None	None

# Chapter 3

Employees: Libraries and Community Facilities					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	3	3	0	50%
7 - 9	3	3	3	0	25%
10 - 12	1	1	1	0	25%
Total	7	7	7	0	100%

# Chapter 3

## 3.12 CEMETORIES

### INTRODUCTION TO CEMETERIES

Two cemeteries which were planned to be upgraded in Bray and Tosca for 2014-2015 could not be completed and our remedial action is to complete them in the first Quarter of the 2015-2016 financial Year

The following Cemeteries were also planned to be fenced in 2014-2015; Mosokathlogo, Matloding, Ganyesa, Ditshukutswaneng and Kudungwane.

Cemeteries Policy Objectives Taken From IDP									
Service Indicators (i)	Outline Service Targets  (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: To provide public amenities									
Number of cemeteries to be upgraded	2 upgraded cemeteries in Bray & Tosca by end of June 2014	2 upgraded cemeteries in Bray, & Tosca, by end of June 2014	Upgrading of cemeteries still ongoing	2 upgraded cemeteries in Bray, & Tosca, by end of June 2014	2 upgraded cemeteries in Bray, Tosca, by end of June 2015	Cemeteries not up-graded	None	None	None

# Chapter 3

## 3.13 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality has provided support to women, elderly, children and people with disabilities. These supports included awareness campaigns and educational materials and training. The table below illustrate the performance of some of the top objectives set by the Municipality in its Integrated Development Plan.

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective: Advocacy for the rights of the elderly, children and persons with disability									
Number of awareness Campaigns for advocacy of elderly rights	8 awareness campaigns for advocacy of elderly rights held by end of June 2015	2 awareness campaigns for advocacy of elderly rights held by end of June 2014	2 awareness campaigns for advocacy of elderly rights were held	2 awareness campaigns for advocacy of elderly rights held by end of June 2014	8 awareness campaigns for advocacy of elderly rights held by end of June 2015	8 awareness campaigns for advocacy of elderly rights were held	None	None	None
Number of ECD's supported	4 ECD's supported by end of June 2015	2 ECD's supported by end of June 2014	2 ECD's were supported	2 ECD's supported by end of June 2014	4 ECD's supported by end of June 2015	4 ECD's were supported	None	None	None

# Chapter 3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
Total	1	1	1	0	0%

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

This is the Responsibility function of the Department of Rural Economic and Agricultural Development

#### 3.14 POLLUTION CONTROL

### INTRODUCTION TO POLLUTION CONTROL

Pollution control is the responsibility or function of the District Municipality

# Chapter 3

## 3.15 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

N/A.

### COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

Health is the responsibility or function of the Department of Health and the Municipality only identify and communicate health issues to the Department.

### COMPONENT G: SECURITY AND SAFETY

### INTRODUCTION TO SECURITY & SAFETY

N/A

# Chapter 3

## 3.16 FIRE

### INTRODUCTION TO FIRE SERVICES

Fire Services is the responsibility of the District Municipality and there is Service level Agreement in place for Coordination of disaster events.

## COMPONENT H: SPORTS FACILITY

### INTRODUCTION TO SPORT FACILITY

Two sports facilities were planned to be up-graded at Ganyesa & Morokweng in 2014-2015 financial year, however only Morokweng Sports Facility is completed and Ganyesa would be implemented in the 2015-2016 Financial Year.

## 3.17 SPORT FACILITY

Sport Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective: To provide sports facilities									
Number of sports facilities to be constructed	2 up-graded sports facilities by end of June 2015	2 constructed sports facilities by end of June 2015	Morokweng Sports facility is completed	2 constructed sports facilities by end of June 2014	None	No sports facilities constructed	None	None	None

# Chapter 3

Employees: Sports Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
Total	0	0	0	0	0%



# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services and ICT services

### 3.18 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

The Integrated Development Plan, Service Delivery Budget Implementation Plan were compiled and adopted as per MFMA and MSA legislation. The table below illustrate the achievement of such Municipal documents

# Chapter 3

The Executive and Council Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
		(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective Development and Review of the Integrated Development Plan (IDP)									
Timeous submission of the 2015/2016 IDP to Council for adoption by 31 May 2015	Adopted 2015/2016 reviewed financial year IDP document by end of May 2015	Adopted 2014/2015 reviewed financial year IDP document by end of May 2014	2014/2015 financial year IDP document was reviewed and submitted for adoption	Adopted 2014/2015 reviewed financial year IDP document by end of May 2014	Timeous submission of the 2015/2016 IDP to Council for adoption by 31 May 2015	2015/2016 financial year IDP document was reviewed and submitted for adoption	Submission of the 2016/2017 IDP to Council for adoption by 31 May 2016	Submission of the 2017/2018 IDP to Council for adoption by 31 May 2017	Submission of the 2018/2019 IDP to Council for adoption by 31 May 2018
Signed SDBIP 2014/2015 document	Signed SDBIP 2015/2016 document by Mayor and submission to DLGTA by end of June 2015	Signed SDBIP 2014/2015 document by Mayor and submission to DLGTA by end of June 2014	2014/2015 SDBIP was signed and submitted to DLGTA	Signed SDBIP 2014/2015 document by Mayor and submission to DLGTA by end of June 2014	2015/2016 SDBIP Developed by 30 June 2015	2015/2016 SDBIP was signed and submitted to DLGTA	2016/2017 SDBIP Developed by 30 Jun 2016	2017/2018 SDBIP Developed by 30 Jun 2017	2018/2019 SDBIP Developed by 30 Jun 2018
Submission of 2014/2015 Annual Performance Reports to the Auditor General of South Africa by 31 August 2015	Developed Annual Performance report and POE for 2014/2015 financial year by end of August 2015	Developed Annual Performance report and POE for 2012/2013 financial year by end of August 2013	Developed Annual Performance report and POE for 2013/2014 financial year	Developed Annual Performance report and POE for 2012/2013 financial year by end of August 2013	Submission of 2013/2014 Annual Performance Reports to the Auditor General of South Africa by 31 August 2014	Submitted 2013/2014 Annual Performance Reports to the Auditor General of South Africa	Submission of 2015/2016 Annual Performance Reports to the Auditor General of South Africa by 31 August 2015	Submission of 2016/2017 Annual Performance Reports to the Auditor General of South Africa by 31 August 2016	Submission of 2017/2018 Annual Performance Reports to the Auditor General of South Africa by 31 August 2017

# Chapter 3

Employees: EXECUTIVE AND COUNCIL					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	25%
4 - 6	5	5	5	0	75%
Total	6	6	6	0	100%

# Chapter 3

## 3.19 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

Out of a total of R19 045 455.06 debtors on property rates and rental debtors, an amount of R 719 274.07 was collected. Please refer annual financial statements per Chapter 5 for detailed debtors list. Furthermore the Municipality ensured that all creditors are paid within 30 days of receipt of invoice. Please refer table below for performance of financial management on the top priorities of the Municipality.

Financial Service Policy Objectives Taken From IDP								
Service Indicators	Outline Service Targets	Year 0		Year 1		Year 2	Year 3	
		Target	Actual	Target		Target		
(i)	(ii)	(iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective Active and improve billing and collection system to enhance revenue								
% reduction in debtors accounts	None	50 % reduction in debtors book by 30 June 2014	Debtors were reduced by 50 %	None	None	None	None	None
% Payment of creditors within 30 days of receipt of invoice	100 % Payment of creditors within 30 days of receipt of invoice	100% Payments creditors within 30 days of receipt of valid invoice	Creditors were paid within 30 days	100 % Payment of creditors within 30 days of receipt of invoice	100 % Payment of creditors within 30 days of receipt of invoice	100 % Payment of creditors within 30 days of receipt of invoice	100 % Payment of creditors within 30 days of receipt of invoice	100 % Payment of creditors within 30 days of receipt of invoice

# Chapter 3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	7	6	1	14%
4 - 6	7	7	7	0	0%
Total	13	14	13	1	7%

# Chapter 3

## 3.20 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The Municipality has reviewed an HR plan and HR policies to govern human resource activities. The table below illustrate achievement on priorities that were set by Human Resource as per Integrated Development Plan.

Human Resource Services Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0		Year 2	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective: Development and implementation of sound Human Resource Management and Policies</b>									
Number of Human Resources policies developed.	10 HR Policies reviewed by 30 September 2014	4 HR policies developed by end of June 2014	4 HR policies were developed	4 HR policies developed by end of June 2014	10 HR Policies reviewed by 30 September 2014	10 HR policies were reviewed	3 HR policies were reviewed by end of June 2016	3 HR policies were reviewed by end of June 2017	3 Implemented 4 HR policies by end of June 2018
HR Plan developed	HR Plan developed by 15 December 2014	Developed HR Plan by end of December 2013 and implementation process by end of June 2013	The HR plan was developed	Developed HR Plan by end of December 2012 and implementation process by end of June 2013	HR Plan developed by 15 December 2014	The HR plan was developed	Implemented HR plan	Implemented HR plan	Implemented HR plan

# Chapter 3

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50%
4 - 6	9	9	9	0	0%
7 - 9	4	4	4	0	0%
10 - 12	27	27	27	0	50%
Total	42	44	42	2	100%

# Chapter 3

## 3.21 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

With regard to ICT services the municipality has adopted the reviewed ICT policy to govern Municipality's Information Technology. There are on-going processes to improve on ICT infrastructure and services. The following table illustrate performance on ICT services.

ICT Services Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective Improvement of ICT infrastructure and functionality</b>									
Number of Installation of ICT Infrastructure (System, equipments and furniture) in Ganyesa Community Hall & Auditorium	Improved, maintained & procured ICT infrastructure by end of June 2015	Improved, maintained & procured ICT infrastructure by end of June 2014	ICT infrastructure has been improved, maintained and procured	Improved, maintained & procured ICT infrastructure by end of June 2014	15 Installation of ICT Infrastructure (System, equipments and furniture) in Ganyesa Community Hall & Auditorium by 30 June 2015	ICT infrastructure has not been improved, maintained and procured	Installation of ICT infrastructure by end of June 2016	Maintained ICT infrastructure by end of June 2017	Maintained ICT infrastructure by end of June 2018
Reviewed ICT Policy	Reviewed ICT Policy by 30 September 2015	Drafted ICT Policy by end of March 2014	The ICT policy has been drafted	Drafted ICT Policy by end of March 2014	ICT Policy Reviewed by 30 September 2014	ICT Policy was reviewed by council	Adopted ICT Policy by end of March 2015	Implemented ICT Policy by end of March 2016	None



# Chapter 3

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	9	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
Total	0	0	0	0	0%

# Chapter 3

## 3.22 LEGAL AND RISK MANAGEMENT SERVICES

This component includes: legal and risk management services.

### INTRODUCTION TO LEGAL AND RISK MANAGEMENT SERVICES

The risk management services is a shared services between the Municipality and the District Office. The District office has ensured that risks are identified, assessed and managed through internal audit services and audit committee services. The Municipality has also ensured that all reported legal cases are addressed appropriately through internal or external services. The following table illustrates the performance of how reported cases were addressed

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Indicators	Outline Service Targets	Year -1		Year 0		Year 2	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective: Provision of effective Corporate Administration and support</b>									
% of legal matters handled	100% of reported cases handled by end of June 2015	100% of reported cases handled by end of June 2014	100% of reported cases were handled	100% of reported cases handled by end of June 2014	100% of reported cases handled by end of June 2015	100% of reported cases were handled	100% of reported cases handled by end of June 2016	100% of reported cases handled by end of June 2017	100% of reported cases handled by end of June 2018

# Chapter 3

Employees: Legal and Risk Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
Total	0	0	0	0	0%

# Chapter 3

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

In terms of section 46 of the Local Government, Municipal Systems Act, 32 of 2000, municipalities are expected to compile annual performance reports with targets set for the performance in the previous financial year. The report outlined below, serves as a reflection of the actual performance on targets set in the SDBIP for the financial year 2014/15, with challenges and planned remedial action(s) aimed at improving performance and service delivery

### a) Key Performance Area: Municipal Transformation and Institutional Development

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Municipal PMS quarterly Reports submitted	Number of Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	5%	Human Resource	Timeous submission of credible / reliable Municipal PMS quarterly reports to council	Credible / reliable Municipal PMS quarterly reports	4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	OpEx	OpEx	Achieved 4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	N/A	N/A	Council resolution and Municipal PMS quarterly Reports
		Mid-year report 2013/14 submitted to Mayor, National Treasury and Provincial Treasury	Timeous Submission of the Mid-Term Report to Mayor, National Treasury and Provincial	5%	Human Resource	Timeous submission of credible / reliable Mid-Term Report to Mayor, National Treasury	Credible Mid-Term Report	Timeous submission of the Mid-Term Report to Mayor, National Treasury and Provincial	OpEx	OpEx	Achieved Mid-Term Report was submitted timeously to Mayor, National Treasury and	N/A	N/A	Council resolution and Acknowledgement Letters from National Treasury and Provincial Treasury

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
			Treasury			and Provincial Treasury		Treasury by 25 January 2015			Provincial Treasury			
		4 Departmental Quarterly Performance Reviews performed per each Municipal Department	Number of Departmental Quarterly Performance Reviews performed per each Municipal Department	5%	Human Resource	Performance Reviews reports	Transparent and fairly performed performance reviews	4 Departmental Quarterly Performance Reviews performed per each Municipal Department by 30 June 2015	OpEx	OpEx	Achieved 4 Departmental Quarterly Performance Reviews performed per each Municipal Department	N/A	N/A	Minutes and Attendance Register
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Performance Report submitted to the Auditor General of South Africa	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa	5%	Prompt submission of quarterly reports and POE by the officials	Timeously submitted credible 2013/2014 Annual Performance Report	Compliance with MFMA	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa by 30 August 2014	OpEx	OpEx	Achieved 2013/2014 Annual Performance Report submitted timeously to the Auditor General of South Africa on time	N/A	N/A	2013/2014 Annual Performance Report D
Ensuring submission of PMS Reports	Ensure that PMS Reports are	New	Timeous tabling of 2013/2014	5%	Human resources	Timeous tabled 2013/2014	Reliable and transparent	Timeous tabling of 2013/2014	OpEx	OpEx	Achieved 2013/2014	N/A	N/A	Council resolution and Draft Annual Report

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Reports and Conducting reviews	submitted on time and Reviews conducted		draft Annual Report by Council			draft Annual Report	draft annual report tabled	draft Annual Report by Council by 31 January 2015			Draft Annual Report tabled by Council			
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Report submitted to Council for approval	Timeous submission of 2013/2014 Annual Report to Council for approval	5%	MPAC and Directorate's Inputs	Timeous submitted 2013/2014 Annual Report to Council	Reliable and transparent Annual report submitted timeously	Timeous submission of 2013/2014 Annual Report to Council for approval by 31 March 2015	OpEx	OpEx	Achieved 2013/2014 Annual Report was submitted to Council for approval	N/A	N/A	Council resolution and 2013/2014 Annual Report
Provision of effective Corporate Administration and support	To provide effective Corporate Administration and support	6 Council meetings held	Number of Council meetings held	3%	Schedule of Council meetings and Personnel Resources	Effective Council meetings held	To ensure proper administration of the municipality	4 Council meetings held by 30 June 2015	OpEx	OpEx	Target Exceeded 9 Council meetings were held	Emergency meetings were held to deal with urgent matters	To implement effective measures that communicate	Attendance register and minutes
Provision of effective Corporate Administration and support	To provide effective Corporate Administration and support	2 EXCO meetings held	Number of EXCO meetings held	3%	Schedule of EXCO meetings and Personnel Resources	Effective EXCO administration and support	To ensure proper administration of the municipality	4 EXCO meetings held by 30 June 2015	OpEx	OpEx	Achieved 4 EXCO meetings held	N/A	N/A	Attendance register and minutes
		New	Number of Portfolio Committee	3%	Scheduled of Portfolio Committee	Effective Portfolio Committee	To ensure proper administration	20 Portfolio Committee meetings	OpEx	OpEx	Not Achieved	Portfolio Committee could not	To prioritize and hold	Memo

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
			meetings held		meetings	administration & support	ion of the municipality	held by 30 June 2015			5 Portfolio Committee meetings held	collate	Portfolio Committee meetings as per schedule in the next financial year	
Development and implementation of sound Human resource Management and Policies	To Develop and implement Sound Human Resource Management Practices	4 HR policies reviewed	Number of HR policies reviewed	2%	Human resource	Reviewed HR policies	Sound HR administration	10 HR policies reviewed by 30 September 2014	OpEx	OpEx	Achieved  10 HR policies reviewed 1. Employees Bursary; 2. Community Bursary 3. Cellphone allowance 4. Employee Wellness 5. Telephone Usage 6. Smoking 7. HIV/AIDS 8. Leave and Overtime 9. Recruitment & Selection 10. Training	N/A	N/A	Council resolution and HR policies
Provision	To provide	100%	Number of	3%	Municipal	Legal	Effective	4 Legal	OpEx	OpEx	Achieved	N/A	N/A	Legal matters reports

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
of effective Corporate Administration and support	effective legal services	reported legal matters handled	legal matters reports produced		legal representatives	matters handled	legal administration	matters reports produced by 30 June 2015			4 legal matters reports produced			
Development and implementation of sound Human Resource management and Policies	To develop HR Plan	HR Plan not developed	Developed HR Plan	3%	Human Resource	Developed HR Plan	Credible HR Plan	Developed HR Plan by 30 September 2014	OpEx	OpEx	Achieved  HR Plan developed	N/A	N/A	Copy of HR Plan
Promote and maintain sound Labour relations	To maintain sound labour relations	No Local labour Forum meetings held	Number of LLF meetings held	2%	Human Resource	LLF meetings held	Sound labour relation	5 LLF meetings held by 30 June 2015	OpEx	OpEx	Achieved  5 LLF meetings held	N/A	N/A	Attendance register and minutes
		No disciplinary cases reported	Number of reported disciplinary cases report produced	3%	Human Resource	Reported disciplinary cases produced	Compliance with SALGA collective agreements	2 Reported disciplinary cases reports produced by 30 June 2015	OpEx	OpEx	Achieved  2 Reported disciplinary cases report produced	N/A	N/A	Reports on disciplinary cases produced
Recruitment and selection	Filling of Vacant Post	10 critical post filled	Number of vacant critical posts (Section 57 managers) filled	2%	Financial resource	Filled vacant positions	Improve service delivery	4 Vacant critical posts (Section 57 managers) filled by 31 March	OpEx	OpEx	Not Achieved  Vacant critical posts not filled	Due to pre-empted merger of Kagisano Molopo and Naledi local municipalities	To appoint in the new financial year	Merger document



# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
								2015						
Improve record management	To comply with the National Archives Act and Regulations	New	Developed Record management policy	2%	Human Resource	Developed Records management policy	Sound Records management	Developed Records management policy by 31 March 2015	OpEx	OpEx	Achieved  Records management policy developed	N/A	N/A	Developed Records Management Policy
Improve record management	To comply with the National Archives Act and Regulations	New	Developed Records management file plan	2%	Human Resource	Developed Records management file plan	Functional Records management file plan	Developed Records management file plan by 31 March 2015	OpEx	OpEx	Achieved  Records management file plan developed	N/A	N/A	Developed Records Management File Plan
Improve record management	To comply with the National Archives Act and Regulations	New	Developed Records management procedure manual	2%	Human Resource	Developed Records management procedure manual	Functional Records management procedure manual	Developed records management procedure manual by 31 March 2015	OpEx	OpEx	Achieved  Records management procedure manual developed	N/A	N/A	Developed Records Management Procedure Manual
Implementation of sound human resource development	To develop capacity and retain skilled staff in the municipality	New	% completion of skills and training needs	3%	Human Resource	Developed Skills and Training Needs Analysis report	Sound Skills and Training Needs Analysis report	100% completion of skills and training needs	OpEx	OpEx	Achieved  100% completion of skills and training	N/A	N/A	Skills Analysis Report

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
ent			analysis					analysis by 30 April 2015			needs analysis			
	To develop Workplace skills Plan	WSP developed	Workplace Skills Plan Developed and Submitted to LGSETA	3%	Human Resource	Developed Workplace Skills Plan	Credible Workplace Skills Plan	Workplace Skills Plan Developed and Submitted to LGSETA by 30 April 2015	OpEx	OpEx	Achieved  Workplace Skills Plan Developed and Submitted	N/A	N/A	Copy of Workplace Skills Plan
Implementation of sound human resources development	To develop Annual training report	ATR developed	Annual Training Report Developed and Submitted to LGSETA	3%	Human Resource	Developed Annual Training Report	Credible Annual Training Report	Annual Training Report Developed and Submitted to LGSETA by 30 April 2015	OpEx	OpEx	Achieved  Annual Training Report Developed and Submitted	N/A	N/A	Copy of Annual Training report
		11 Learning interventions implemented	Number of learning interventions implemented as per WSP	3%	Skills Personnel	Learning interventions implemented	Skilled personnel	8 Learning interventions implemented as per WSP by 30 June 2015	1 000 000	1 539 089.00	Achieved  8 Learning interventions implemented as per WSP	N/A	N/A	Proof of payment

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Learning innovation and growth	To allocate bursaries to qualifying community members	Awarded 61Community bursaries	Number of bursaries allocated to qualifying community members	2%	Financial resource	Bursaries allocated to qualifying community members	Deserving community members completing their studies	60 Bursaries allocated to qualifying community members by 31 March 2015	1 000 000	401 509.00	Achieved  60 bursaries allocated to qualifying community members	N/A	N/A	Letters of awarded Community bursaries
	To allocate bursaries to qualifying employee	Allocated bursaries to 13 qualifying employees	% bursaries allocated to Qualifying employees	2%	Financial resource	Bursaries allocated to qualifying employees	Deserving employees completing their studies	100% bursaries allocated to Qualifying Employees by 30 September 2014 & 31 March 2015	1 000 000	189 611.00	Achieved  100% of bursaries Allocated to Qualifying Employees	N/A	N/A	Letters of awarded Employees bursaries
Alignment of the Organisational Structure with IDP	To maintain a proper organizational structure aligned to the IDP	NEW	Aligned organisational structure to the IDP	3%	Human Resource	Aligned organisational structure to the IDP	To ensure that employees responsibilities are consistent with the Municipal objective or goals as indicated on the IDP	Aligned Organizational Structure to the IDP by 3 May 2015	OpEx	OpEx	Achieved  Organizational Structure aligned to the IDP	N/A	N/A	Reviewed organizational structure

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Improvement of ICT Infrastructure and functionality	To improve ICT infrastructure and functionality	NEW	Number of procured Computers for Staff	2%	Financial resource	Procured computers for staff	Efficient recording of Municipal information	5 Procured computers for staff by 15 Dec 2014	1 000 000	252 273.88	Achieved  5 computers for staff procured	N/A	N/A	Invoice
Improvement of ICT Infrastructure and functionality	To improve ICT infrastructure and functionality	NEW	Number of Installation of ICT infrastructure in Ganyesa Community Hall & Auditorium	2%	Financial resource	Installed ICT infrastructure in Ganyesa Community Hall & Auditorium	Functional ICT	15 Installation of ICT infrastructure in Ganyesa Community Hall & Auditorium by 30 June 2015	OpEx	OpEx	Not Achieved  15 ICT infrastructures not installed.	Delay was due to the incomplete Ganyesa community hall.	Install ICT infrastructure the net financial year.	Memo
Improvement of ICT Infrastructure and functionality	To improve ICT infrastructure and functionality	NEW	% Completion of Server Room	2%	Financial resource	Completed Server Room	Functional completed Server Room	100% Completion of Server Room by 15 December 2014	OpEx	OpEx	Achieved  100% of Server Room completed	N/A	N/A	Invoice
Improvement of ICT Infrastructure and functionality	To improve ICT infrastructure and functionality	NEW	% installation of Back-up System	1%	Financial resource	Installed Back-up System	Secured Municipal Information	100% installation of Back-up System by 15 December 2014	OpEx	OpEx	Achieved  100% of Back-up System installed	N/A	N/A	ICT report
Improvement of ICT Infrastructure and functionality	To improve ICT infrastructure and functionality	NEW	Reviewed ICT Policy	1%	Human Resource	Reviewed ICT Policy	Functional ICT	Reviewed ICT Policy by 30 September	OpEx	OpEx	Achieved  ICT Policy reviewed	N/A	N/A	Council resolution

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
functionality	functionality							2014						
Implementation of sound human resources development	To conduct job evaluation	New	Number of monitoring reports on job evaluation	3%	Human Resource	Monitoring reports on job evaluation	Municipal duties performed accordingly	2 Monitoring reports on job evaluation by 30 June 2015	1 000 000	750 832.00	Achieved 2 Monitoring reports on job evaluation	N/A	N/A	Job Evaluation report
Improve fleet management	To improve fleet management	Reviewed Fleet Management policy	Reviewed Fleet management policy	2%	Human Resource	Reviewed Fleet Management Policy	Proper managing and use of municipal vehicles	Reviewed Fleet management policy by 30 September 2014	OpEx	OpEx	Achieved Fleet management policy reviewed	N/A	N/A	Council resolution and Fleet management policy
Create a safe and healthy working environment for staff, Councillors and community	To promote Employee Wellness	New	Implemented Employee Wellness programmes	2%	Human Resource	Implemented employee's wellness programme	Motivated, encourage and empowered employees	Employee Wellness program implemented by 31 March 2015	500 000	715 320.00	Achieved Employee Wellness program implemented	N/A	N/A	Copy of the Employee Wellness Programme report
	To create a safe and healthy working environment for staff, Councillors and community member	1 OHS policy developed	Number of OHS policy reviewed	3	Human Resource	Adopted OHS policy	Compliance with the OHS regulations	1 OHS policy reviewed by 30 September 2014	OpEx	OpEx	Achieved 1 OHS policy reviewed	N/A	N/A	Council resolution and OHS policy

# Chapter 3

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Promotion of workplace transformation	To develop Employment Equity Plan	No EE Plan in place	Number of Employment equity Plan submitted to council, DLGHS and DoL	3	Human Resource	Adopted EE plan	Addressing inequalities	1 Employment equity Plan submitted to council, DLGTA and DoL by 30 June 2015	OpEx	OpEx	Achieved  1 Employment equity Plan submitted to council, DLGTA and DoL	N/A	N/A	Council resolution and Employment equity Plan

# Chapter 3

## b) Key Performance Area: Basic Service Delivery and Infrastructure Development

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Municipal PMS quarterly Reports submitted	Number of Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	5%	Human Resource	Timeous submission of credible / reliable Municipal PMS quarterly reports to council	Credible / reliable Municipal PMS quarterly reports	4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	OpEx	OpEx	Achieved 4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	N/A	N/A	Council resolution and Municipal PMS quarterly Reports
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	Mid-year report 2013/14 submitted to Mayor, National Treasury and Provincial Treasury	Timeous Submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury	5%	Human Resource	Timeous submission of credible / reliable Mid-Term Report to Mayor, National Treasury and Provincial Treasury	Credible Mid-Term Report	Timeous submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury by 25 January 2015	OpEx	OpEx	Achieved Mid-Term Report was submitted timeously to Mayor, National Treasury and Provincial Treasury	N/A	N/A	Council resolution and Acknowledgement Letters from National Treasury and Provincial Treasury
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Departmental Quarterly Performance Reviews	Number of Departmental Quarterly Performance Reviews performed per each	5%	Human Resource	Performance Reviews reports	Transparent and fairly performed performance	4 Departmental Quarterly Performance Reviews performed per each	OpEx	OpEx	Achieved 4 Departmental Quarterly Performance	N/A	N/A	Minutes and Attendance Register

# Chapter 3

		performed per each Municipal Department	Municipal Department				reviews	Municipal Department by 30 June 2015			Reviews performed per each Municipal Department			
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Performance Report submitted to the Auditor General of South Africa	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa	5%	Prompt submission of quarterly reports and POE by the officials	Timeously submitted credible 2013/2014 Annual Performance Report	Compliance with MFMA	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa by 30 August 2014	OpEx	OpEx	Achieved  2013/2014 Annual Performance Report submitted timeously to the Auditor General of South Africa on time	N/A	N/A	2013/2014 Annual Performance Report
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	New	Timeous tabling of 2013/2014 draft Annual Report by Council	5%	Human resources	Timeous tabled 2013/2014 draft Annual Report	Reliable and transparent draft annual report tabled	Timeous tabling of 2013/2014 draft Annual Report by Council by 31 January 2015	OpEx	OpEx	Achieved  2013/2014 Draft Annual Report tabled by Council	N/A	N/A	Council resolution and Draft Annual Report



# Chapter 3

Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Report submitted to Council for approval	Timeous submission of 2013/2014 Annual Report to Council for approval	5%	MPAC and Directorates Inputs	Timeous submitted 2013/2014 Annual Report to Council	Reliable and transparent Annual report submitted timeously	Timeous submission of 2013/2014 Annual Report to Council for approval by 31 March 2015	OpEx	OpEx	Achieved	N/A	N/A	Council resolution and 2013/2014 Annual Report
To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To facilitate the provision of housing	New	Number of Housing Project Management Meetings Attended	5%	Human Resource	Housing Project Management Meetings Attended	To monitor that community members have access to Basic Housing	4 Housing project management meetings attended by 30 June 2015	OpEx	OpEx	Achieved	N/A	N/A	Attendance Register
To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To facilitate the provision rural water supply programme	New	Number of Rural Water Supply Programme Meetings Attended	5%	Human Resource	Rural Water Supply Programme Meetings Attended	To monitor that community members have access to Rural Water Supply	12 Rural Water Supply Programme Meetings Attended by 30 June 2015	OpEx	OpEx	Achieved	N/A	N/A	Attendance Register and Minutes of Meeting
To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To Facilitate the Provision of Electricity to RDP Housing and Extension	New	Number of Electricity Project Management Meetings Attended	5%	Human resource	Electricity Project Management Meetings Attended	To monitor that community members have access to Electricity	4 Electricity Project Management Meetings Attended by 15 December 2014	OpEx	OpEx	Achieved	N/A	N/A	Attendance Register and Report

# Chapter 3

To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To monitor the provision of sanitation	New	Number of Rural Housing Sanitation Programme Meetings Attended	5%	Human resource	Rural Housing Sanitation Programme Meetings Attended	To monitor that community members have access to Rural Housing Sanitation	12 Rural Housing Sanitation Programme Meetings Attended by 30 June 2015	OpEx	OpEx	Not Achieved 4 Housing Sanitation Programme Meetings Attended	Due to the suspension of funds by department of human settlement	Engage with the relevant department to allocate funds for completion of the project in the next financial year.	Attendance Register and Minutes of Meeting
To provide public lighting to communities	To provide public amenities in various villages	New	Number of high mast lights erected at Phaposane	10%	Budget	Erected High mast lights at Phaposane	To ensure safe of community	28 high mast lights erected at Phaposane by 30 June 2015	8 000 000	5 554 621.11	Achieved 28 High Mast lights erected at Phaposane	N/A	N/A	Practical Completion Certificate
To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To provide public amenities in various villages	Contractor on Site and Work is at Foundation Level	Number of Community Halls to be Constructed at Manyeledi, Vragas, Goodwood, Phaphosane, Kgokgole and Tosca	10%	Budget	Constructed Community Halls at Manyeledi, Vragas, Goodwood, Phaphosane, Kgokgole and Tosca	Accessible public amenities	6 Community halls constructed at Manyeledi, Vragas, Goodwood, Phaphosane, Kgokgole & Tosca by 30 June 2015	24 000 000	17 079 183.30	Not Achieved 3 Community Halls constructed at Manyeledi, Vragas and Tosca	Project delayed by the demolishing of the unaccepted work	Demolishing of the structure and construction of the new works	Progress reports
To deliver sustainable essential services to Kagisano Molopo Local Municipality	To upgrade cemeteries in various villages	New	Number of cemeteries fenced at Mosokatlhogo (ward 11), Matloding	10%	Budget	Cemeteries fenced at Mosokatlhogo (ward 11),	Accessible public cemeteries	5 cemeteries fenced at Mosokatlhogo (ward 11)	 R200 000	0	Not Achieved No cemeteries fenced	Delay in identifications of site in the various villages	Identifying all cemeteries that need to be Upgrade in the next	Reports

# Chapter 3

Community			(Ward 12), Kudungwane (Ward 1), Ditshukutswaneng (Ward 8) and 5 Ganyesa (Ward 15)			Matloding (Ward 12), Kudungwane (Ward 1), Ditshukutswaneng (Ward 8) and 5 Ganyesa (Ward 15)		Matloding (Ward 12), Kudungwane (Ward 1), Ditshukutswaneng (Ward 8) Ganyesa (Ward 15) by 30 June 2015	R200 000 R200 000 R200 000 R1000 000				financial year	
To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To upgrade cemeteries in various villages	New	Number of cemeteries upgraded at Bray and Tosca	5%	Budget	Cemeteries upgraded at Bray and Tosca	Accessibl e public cemeteries	2 cemeteries upgraded at  Bray Tosca  by 30 June 2015	  1 800 000 1 800 000	3 075 524.27	Not Achieved  Cemeteries not upgraded at Bray and Tosca	Slow progress by the contractor	To push the contractors to complete the cemeteries upgrade in the next financial year	Reports
To deliver sustainable essential services to Kagisano Molopo Local Municipality Community	To facilitate the provision of Boreholes to Communities	New	% Completion of feasibility study to be conducted on number of boreholes facilitated in the community	5%	Budget	Completed Feasibility study conducted on number of boreholes facilitated in the community	Feasibility study conducted on number of boreholes facilitated in the community	100% completion of feasibility study to be conducted on number of boreholes facilitated in the community by 30 June 2015	500 000		Not Achieved  Feasibility study not conducted on number of boreholes to be facilitated in the community	Duplication of function between the District and Kagisano-Molopo	To engage the District on the progress on this matter	District SDBIP
To provide sports facilities in various	To upgrade Sports Facilities	2 incomplete Sports	Number of sports facilities	5%	Budget	Upgraded sports facilities	Accessibl e public sport	2 sports facilities upgraded at	9 000 000, 00	4 927 263.65	Not Achieved	Ganyesa sports facility	Ganyesa sport facility will	Report

# Chapter 3

villages		Facilities	upgraded at Ganyesa and Morokweng			at Ganyesa and Morokweng	facilities	Ganyesa and Morokweng by 30 June 2015			1 Sports Facility upgraded at (Morokweng)	budget was affected due to payment of variation on scope work.	be constructed in the next financial year	
To provide internal roads	To construct internal roads	2 Internal road constructed	Number of Internal roads constructed at Ethol and Bray	5%	Budget	Constructed at Internal roads at Ethol and Bray	Useable Road	2 Internal roads constructed at Ethol and Bray by 30 June 2015	4000 000	3 856 388.52	Achieved  2 Internal roads to be constructed at Bray and Ethol	N/A	N/A	Completion Certificate

# Chapter 3

## c) Key Performance Area: Local Economic Development and Community Services

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Municipal PMS quarterly Reports submitted	Number of Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	5%	Human Resource	Timeous submission of credible / reliable Municipal PMS quarterly reports to council	Credible / reliable Municipal PMS quarterly reports	4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	OpEx	OpEx	Achieved  4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	N/A	N/A	Council resolution and Municipal PMS quarterly Reports
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	Mid-year report 2013/14 submitted to Mayor, National Treasury and Provincial Treasury	Timeous Submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury	5%	Human Resource	Timeous submission of credible / reliable Mid-Term Report to Mayor, National Treasury and Provincial Treasury	Credible Mid-Term Report	Timeous submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury by 25 January 2015	OpEx	OpEx	Achieved  Mid-Term Report was submitted timeously to Mayor, National Treasury and Provincial Treasury	N/A	N/A	Council resolution and Acknowledgement Letters from National Treasury and Provincial Treasury
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Departmental Quarterly Performance	Number of Departmental Quarterly Performance Reviews performed	5%	Human Resource	Performance Reviews reports	Transparent and fairly performed	4 Departmental Quarterly Performance Reviews performed per	OpEx	OpEx	Achieved  4 Departmental Quarterly Performance Reviews	N/A	N/A	Minutes and Attendance Register

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
		Reviews performed per each Municipal Department	per each Municipal Department				performance reviews	each Municipal Department t by 30 June 2015			performed per each Municipal Department			
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Performance Report submitted to the Auditor General of South Africa	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa	5%	Prompt submission of quarterly reports and POE by the officials	Timeously submitted credible 2013/2014 Annual Performance Report	Compliance with MFMA	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa by 30 August 2014	OpEx	OpEx	Achieved  2013/2014 Annual Performance Report submitted timeously to the Auditor General of South Africa on time	N/A	N/A	2013/2014 Annual Performance Report
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	New	Timeous tabling of 2013/2014 draft Annual Report by Council	5%	Human resources	Timeous tabled 2013/2014 draft Annual Report	Reliable and transparent draft annual report tabled	Timeous tabling of 2013/2014 draft Annual Report by Council by 31 January 2015	OpEx	OpEx	Achieved  2013/2014 Draft Annual Report tabled by Council	N/A	N/A	Council resolution and Draft Annual Report

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Report submitted to Council for approval	Timeous submission of 2013/2014 Annual Report to Council for approval	5%	MPAC and Directorates Inputs	Timeous submitted 2013/2014 Annual Report to Council	Reliable and transparent Annual report submitted timeously	Timeous submission of 2013/2014 Annual Report to Council for approval by 31 March 2015	OpEx	OpEx	Achieved 2013/2014 Annual Report was submitted to Council for approval	N/A	N/A	Council resolution and 2013/2014 Annual Report
To ensure effective Local Economic Development	To promote LED and Tourism	3 SMME's Supported	Number of SMME's Supported per plan	3%	Budget	SMM's supported	Functional SMMEs	10 SMME's Supported per plan by 30 June 2015	200 000	22000 00	Achieved 10 SMME's Supported per plan	Budget	N/A	Attendance register and Invoice
To ensure effective Local Economic Development	To promote LED and Tourism	NEW	% completion of feasibility study to be conducted for tourism initiatives at Tseng, Konke (Ward 12) and Bona Bona (Ward 9)	3%	Budget	Completed feasibility study conducted	Credible Feasibility Study	100% completion of feasibility study to be conducted for tourism initiatives at Tseng, Konke (Ward 12) and Bona Bona (Ward 9) by 31 March 2015	200 000	0	Not Achieved Feasibility study for tourism initiatives not conducted	The tender was advertised but no bid was received	Re-advertise the tender in the next financial year	Advertisement
To ensure effective Local Economic Development	To promote LED and Tourism	New	Number of Personnel trained per Guesthouse (1*5Personnel per	3%	Budget	Personnel trained per Guesthouse	Skilled Guest House Personnel	5 Personnel trained per Guesthouse (1*5Personnel per guesthouse) by 31 March	OpEx	OpEx	Target Exceeded 8 Personnel trained per Guesthouse (1	The service provider required to training not less	N/A	Attendance Register and invoice

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
			guesthouse )					2015			Personnel per guesthouse )	than ten beneficiaries		
To ensure effective Local Economic Development	To promote LED and Tourism	Documented Feasibility study on goat Massification	% Implementation of goat Massification project as per Implementation Plan/Project Plan	3%	Budget	Implementation goat Massification plan	Sustainable Goat Production	100% implementation of goat Massification project as per Implementation Plan/Project Plan by 30 June 2015	900 000	0	Not Achieved  Goat Massification project plan not implemented	The tender was advertised and all received bidder did not meet the specification criteria	To re-advertise in the next financial year	Advertisement
To ensure effective Local Economic Development	Promote local economic development and agriculture	Supported Goat Breeding projects	Number of goat breeding projects supported per plan at Bray and Remmogo goat breeding projects	3%	Budget	Goat breeding projects supported at Bray and Remmogo goat breeding projects	Poverty alleviation for 10 Beneficiaries	2 goat breeding projects supported per plan at Bray and Remmogo goat breeding projects by 30 June 2015 as follows:  1. Bray Goat: 4 meetings by 30 June 2015	300 000	352 780.00	Achieved  4 meetings held	N/A	N/A	Report
								4 project Visits by 30 June 2015			Achieved  4 project visits done			



# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
								2 Equipment/Material purchased by 30 June 2015			Achieved 2 Equipment/Material purchase	N/A	N/A	Invoice
								2. Remmogo Goat: 4 meetings by 30 June 2015			Achieved 4 meetings held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015			Achieved 4 project visits done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015			Achieved 2 Equipment/Material purchase	N/A	N/A	Invoice
To ensure effective Local Economic Development	Promote local economic development and agriculture	Supported Motheo Nursery and landscaping	Motheo Nursery and landscaping project supported per plan	3%	Budget	Motheo Nursery and Landscaping project supported	Poverty alleviation for 12 Beneficiaries	Motheo Nursery and landscaping project supported per plan by 30 June 2015 as follows:  4 Meetings by 30 June 2015	100 000	107 892,77	Achieved 4 meetings held	N/A	N/A	Minutes of Meetings and attendance Register t

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
To ensure effective Local Economic Development	Promote local economic development and agriculture	supported hydroponic vegetable project (Reratile Peace Project)	Number of hydroponic vegetable project supported per plan (Reratile Peace Project)	4%	Budget	Hydroponic vegetable project supported (Reratile Peace Project)	Poverty alleviation for 12 beneficiaries	4 project Visit by 30 June 2015			Achieved 4 project visits done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015			Achieved 2 Equipment/Material purchase	N/A	N/A	Invoice
								1 Hydroponic vegetable project supported per plan (Reratile Peace Project) by 30 June 2015 as follows:  4 Meetings by 30 June 2015	100 000	226 990.00	Achieved 4 meetings held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015			Achieved 4 project visits done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015			Achieved 2 Equipment/Material purchase	N/A	N/A	Invoice

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
To ensure effective Local Economic Development	Promote local economic development and agriculture	New	% Development of feasibility study to be conducted for Brick making Project	3%	Budget	Developed feasibility study conducted	Poverty alleviation	100% Development of feasibility study to be conducted for for Brick Making Project by 30 June 2015	500 000	0	Not Achieved  Feasibility study on Brick Making Project not conducted	The municipality still awaits a response for site allocation by the Tribal Authority .	Follow up with Tribal Authority in the next financial year.	Site requisition letters.
	Promote local economic development and agriculture	New	Number of training implemented for Bray Bakery project beneficiaries	3%	Budget	Training implemented for Bray Bakery	Trained Bakery Projects beneficiaries	1 Training implemented for Bray Bakery project beneficiaries by 30 June 2015	200 000	51 600.00	Not Achieved  Training not implemented Bray Bakery project	Unavailability of project beneficiaries due the projects internal conflict. However the municipalities assisted the project with JoJo tank and a tank stand.	Assist the project to revolve its internal issues in the next financial.	Report

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
To ensure effective Local Economic Development	To promote LED and Tourism	5 Supported crafters	Number of crafters supported per plan at Bosele Bokamoso (ward 7), , Itireleng ka Diatla (ward 5), Ribolola Talente (ward 11), Semphete (ward 10) and Itshupeng Batswana (ward 14)	10%	Budget	Crafters supported at Bosele Bokamoso (ward 7), Itireleng ka Diatla (ward 5), Ribolola Talente (ward 11), Semphete (ward 10) and Itshupeng Batswana (ward 14)	Poverty alleviation for crafter	5 crafters supported per plan by 30 June 2015  as follows  1 Bosele Bokamoso (ward 7) Crafters:  4 Meetings held by 30 June 2015	40 000	24 500.00	Achieved  4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015	N/A		Achieved  4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved  2 Equipment / Material purchased	N/A	N/A	Invoice
								2. Itireleng ka Diatla (ward 5) Crafters:  4 Meetings held by 30 June 2015	40,000	24 500.00	Achieved  4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
								4 project Visit by 30 June 2015	N/A		Achieved 4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved 2 Equipment / Material purchased	N/A	N/A	Invoice
								3. Ribolola Talente (ward 11), Crafters:  4 Meetings held by 30 June 2015	40,000	24 500.00	Achieved 4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015	N/A		Achieved 4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved 2 Equipment / Material purchased	N/A	N/A	Invoice
								4. Semphete (ward 10) Crafters:  4 Meetings held by 30 June 2015	40,000	24 500.00	Achieved 4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
								4 project Visit by 30 June 2015	N/A		Achieved 4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved 2 Equipment / Material purchased	N/A	N/A	Invoice
								5. Itshupeng Batswana (ward 14) Crafters:  4 Meetings held by 30 June 2015	40000	24 500.00	Achieved 4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015	N/A		Achieved 4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved 2 Equipment / Material purchased	N/A	N/A	Invoice
To ensure effective Local Economic Development	To promote LED and Tourism	1 Car wash project supported	Number of car wash projects supported per plan	4%	Budget	Car wash Project supported	Poverty alleviation for beneficiaries	1 Car wash Project supported per plan by 30 June 2015 as follows	100 000	0	Achieved 4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
								4 Meetings to be held by 30 June 2015						
								4 project Visit by 30 June 2015	N/A		Achieved 4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Not Achieved 2 Equipment / Material purchased	Disagreements between project beneficiaries on what to purchase	Assist the project to resolve its internal issues in the next financial.	Memo
To ensure effective Local Economic Development	To promote LED and Tourism	NEW	Number of Glass Recycling Projects supported per plan at Maheng(ward 11) and Kokwana (ward 12)	4%	Budget	Glass Recycling Projects supported	Poverty alleviation for beneficiaries	2 Glass Recycling Project supported per plan at Maheng(ward 11) and Kokwana (ward 12) by 30 June 2015	400 000	0	Achieved 2 Glass Recycling Project supported per plan at Maheng(ward 11), Kokwana (ward 12)	N/A	N/A	Reports
								as follows: 1. Maheng:  4 Meetings held by 30 June 2015	N/A		Achieved 4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
								4 project Visit by 30 June 2015	N/A		Achieved  4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved  2 Equipment / Material purchased	N/A	N/A	Invoice
								2.Kokwana:  4 Meetings held by 30 June 2015	N/A		Achieved  4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015	N/A		Achieved  4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Not Achieved Equipment / Material purchased	Disagreements between project beneficiaries on what to purchase	Assist the project to resolve its internal issues in the next financial.	Memo



# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
To ensure effective Local Economic Development	To promote LED and Tourism	2 Eco-circle Vegetable projects supported at Ithuteng multipurpose (ward 3) and Ditshukutswhaneng (ward 8)	Number of Eco-circle vegetable projects supported per plan at Ithuteng multipurpose (ward 3) and Ditshukutswhaneng (ward 8)	4%	Budget	Eco-circle vegetable projects supported at Ithuteng multipurpose (ward 3) and Ditshukutswhaneng (ward 8)	Poverty alienation for beneficiaries	2 Eco-circle vegetable projects supported per plan at Ithuteng multipurpose (ward 3) and Ditshukutswhaneng (ward 8) by 30 June 2015 1. Ithuteng multipurpose (ward 3) :  4 meetings held by 30 June 2015	200 000	107 578.00	Achieved  4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register
								4 project Visit by 30 June 2015			Achieved  4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015			Achieved  2 Equipment/ Material purchased	N/A	N/A	Invoice
								2. Ditshukutswhaneng (ward 8):  4 Meetings	N/A		Achieved  4 Meeting held	N/A	N/A	Minutes of Meetings and attendance Register

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
								held by 30 June 2015						
								4 project Visit by 30 June 2015	N/A		Achieved 4 project Visit done	N/A	N/A	Reports and attendance Register
								2 Equipment/Material purchased by 30 June 2015	N/A		Achieved 2 Equipment / Material purchased	N/A	N/A	Invoice
To ensure effective Local Economic Development	To provide access to information and library services through Community libraries	3 Operational Libraries	Number of Library awareness campaigns/ programmes conducted	3%	Human Resource	Library awareness campaigns/programmes conducted	Functional Community Libraries	48 Library awareness campaigns/programmes conducted by 30 June 2015	OpEx	OpEx	Achieved 48 Awareness Campaigns conducted	N/A	N/A	Attendance Register & Report
To ensure effective Local Economic Development	To provide access to government services and information	3 Operational Thusong Centres	Number of Thusong centres accessible for Government Department services	3%	Human Resource	Thusong centres accessible for Government Department services	Government Department Services easily accessible for community	3 Thusong Centres accessible for Government Department services by 30 June 2015	OpEx	OpEx	Achieved 3 Thusong Centres accessible for Government Department services	N/A	N/A	Attendance Register and Reports

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
To promote Local Tourism	To support heritage programmes	2 heritage programs conducted	Number of heritage programs supported per plan	3%	Budget	Heritage programs supported	Concise community about heritage	2 Heritage programs supported per plan by 31 March 2015	150 000	476 374.00	Achieved  2 heritage initiatives and programs supported	N/A	N/A	Attendance Register and Reports
Disaster Management	Support communities affected by disaster	100 % Disaster cases attended	% Relief Material Provided to reported Disaster Victims	3%	Budget	Relief Material Provided to communities affected by disaster	Relieve support offered to affected communities	100% Relief Material Provided to reported Disaster Victims by 30 June 2015	700 000	186 152.04	Achieved  100% Relief Material Provided to reported Disaster Victim	N/A	N/A	List of Beneficiaries and Invoices
	Support communities affected by disaster	NEW	Number of Disaster Awareness Campaigns Conducted	3%	Budget	Disaster Awareness Campaigns Conducted	To educate community about disaster programmes	4 Disaster Awareness Campaigns Conducted by 30 June 2015			Achieved  4 Disaster Awareness Campaigns Conducted	N/A	N/A	Attendance Register and Reports

# Chapter 3

COMMUNITY SERVICE, LOCAL ECONOMIC DEVELOPMENT, LED AND TOURISM														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure	Actual Performance	Reason for deviation	Remedial Action	Portfolio of Evidence
Identify projects that create jobs and benefit the community	To create jobs through Expanded Public Works Programme	180 Jobs created through EPWP	Number of Jobs Created through EPWP	5%	Budget	Jobs Created through EPWP	Poverty alleviation for beneficiaries	220 Jobs created through EPWP by 30 June 2015	1 100 000	1 100 000	Not achieved, 180 Jobs created	Budget shortfall for 40 additional jobs due to late allocation of the grant	Appoint more EPWP worker in the next financial year	Signed EPWP Contracts

## d) Municipal Financial Management and Financial Viability

# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Municipal PMS quarterly Reports submitted	Number of Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	5%	Human Resource	Timeous submission of credible / reliable Municipal PMS quarterly reports to council	Credible / reliable Municipal PMS quarterly reports	4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	OpEx	OpEx	Achieved 4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	N/A	N/A	Council resolution and Municipal PMS quarterly Reports
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	Mid-year report 2013/14 submitted to Mayor, National Treasury and Provincial Treasury	Timeous Submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury	5%	Human Resource	Timeous submission of credible / reliable Mid-Term Report to Mayor, National Treasury and Provincial Treasury	Credible Mid-Term Report	Timeous submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury by 25 January 2015	OpEx	OpEx	Achieved Mid-Term Report was submitted timeously to Mayor, National Treasury and Provincial Treasury	N/A	N/A	Council resolution and Acknowledgement Letters from National Treasury and Provincial Treasury
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Departmental Quarterly Performance Reviews performed per each Municipal	Number of Departmental Quarterly Performance Reviews performed per each Municipal Department	5%	Human Resource	Performance Reviews reports	Transparent and fairly performed performance reviews	4 Departmental Quarterly Performance Reviews performed per each Municipal Department by 30 June	OpEx	OpEx	Achieved 4 Departmental Quarterly Performance Reviews performed per each Municipal Department	N/A	N/A	Minutes and Attendance Register

# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
		Department						2015						
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Performance Report submitted to the Auditor General of South Africa	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa	5%	Prompt submission of quarterly reports and POE by the officials	Timeously submitted credible 2013/2014 Annual Performance Report	Compliance with MFMA	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa by 30 August 2014	OpEx	OpEx	Achieved  2013/2014 Annual Performance Report submitted timeously to the Auditor General of South Africa on time	N/A	N/A	2013/2014 Annual Performance Report
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	New	Timeous tabling of 2013/2014 draft Annual Report by Council	5%	Human resources	Timeous tabled 2013/2014 draft Annual Report	Reliable and transparent draft annual report tabled	Timeous tabling of 2013/2014 draft Annual Report by Council by 31 January 2015	OpEx	OpEx	Achieved  2013/2014 Draft Annual Report tabled by Council	N/A	N/A	Council resolution and Draft Annual Report
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Report submitted to Council for approval	Timeous submission of 2013/2014 Annual Report to Council for approval	5%	MPAC and Directorates Inputs	Timeous submitted 2013/2014 Annual Report to Council	Reliable and transparent Annual report submitted timeously	Timeous submission of 2013/2014 Annual Report to Council for approval by 31 March 2015	OpEx	OpEx	Achieved  2013/2014 Annual Report was submitted to Council for approval	N/A	N/A	Council resolution and 2013/2014 Annual Report
Financial Viability and	Maximize spending on	New	% of budget spent on	5%	Human Resources	spent capital	Capital Budget	90% of budget spent	OpEX	N/A	Achieved	N/A	N/A	Expenditure report

# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY															
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence	
Financial Management	CAPEX projects to promote implementation of projects		capital projects in terms of the IDP and SDBIP			budget on projects in terms of the IDP and SDBIP	spent as per the IDP and SDBIP to ensure accountability and efficiency of municipal funds	on capital projects in terms of the IDP and SDBIP by 30 June 2015			90% of budget spent on capital projects in terms of the IDP and SDBIP				
Financial Viability and Financial Management	Control OPEX so as not to overspend on projects	New	% of operational budget of the IDP and SDBIP spent	5%	Human Resource	Operational Budget spent as per the IDP and SDBIP	Operational Budget spent as per the IDP and SDBIP to ensure accountability and efficiency of municipal funds	100% of operational budget of the IDP and SDBIP spent by 30 June 2015	OpEX	N/A	Achieved  100% of operational budget of the IDP and SDBIP spent	N/A	N/A	Expenditure report	
To maintain sound and effective financial management	To facilitate payment	100% Payment of creditors within 30 days of receipt of valid invoice	% Payment of creditors within 30 days of receipt of valid invoice	5%	Human Resource	Timely payment of creditors	Good customer service	100 Payment of creditors within 30 days of receipt of valid invoice by 30 June 2015	OpEX	N/A	Achieved  100% of creditors paid within 30 days of receipt of valid invoice	N/A	N/A	Creditors Ageing Analysis Report	
To maintain sound and effective financial management	To facilitate payment	4 VAT bi-monthly returns submitted within 10 working days	VAT bi-monthly returns submitted within 10 working days	5%	Human Resource	VAT bi-monthly returns submitted	Potential revenue growth	VAT bi-monthly returns submitted within 10 working days by 30 June 2015	OpEX	N/A	Achieved  VAT bi-monthly returns submitted within 10 working	N/A	N/A	VAT Return Submission Date and the Approval of Recon	

# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
											days			
To maintain sound and effective financial management	To facilitate payment	100% of salaries & allowances paid by the 25th each month	% of salaries & allowances paid by the 25 <sup>th</sup> of each month	5%	Human Resource	Timeous payment of salaries	Improved payment systems, motivated employees	100% of salaries & allowances paid by the 25 <sup>th</sup> of each month	OpEX	N/A	Achieved  100% of salaries & allowances paid	N/A	N/A	Proof of payment
Compliance with legislative requirements	To ensure adherence to legislative requirement	12 Section 71 Reports submitted within 10 working days after the end of the month	Number of Section 71 Reports submitted to the Mayor and Provincial treasury within 10 working days after the end of the month	3%	Human Resource	Section 71 Reports submitted to the Mayor and Provincial treasury	Legislative compliance	12 Section 71 Reports submitted to the Mayor and Provincial treasury within 10 working days after the end of each month by 30 June 2015	OpEX	N/A	Achieved  12 Section 71 Reports submitted to the Mayor and Provincial treasury within 10 working days after the end of each month	N/A	N/A	Signed Section 71 Report
Compliance with legislative requirements	To ensure adherence to legislative requirement	4 Section 11 Report submitted within 30 days after the end of each Quarter	Number of Section 11 Reports submitted to Council and Provincial Treasury within 30 days after the end of each Quarter	3%	Human Resource	Section 11 Reports submitted to Council and Provincial Treasury	Legislative compliance	4 Section 11 Reports submitted to Council and Provincial treasury within 30 days after the end of each Quarter by 30 June 2015	OpEX	N/A	Achieved  4 Section 11 Reports submitted to Council and Provincial treasury within 30 days	N/A	N/A	Signed Section 11 Report and Council resolution
Compliance with legislative requirements	To ensure adherence to legislative requirement	New	Timeous Submissions of 2013/2014 Annual	3%	Human Resource	Submitted 2013/2014 Annual	Reliable and transparent Annual	Timeous Submissions of 2013/2014 Annual	OpEX	N/A	Achieved  Annual Financial	N/A	N/A	Annual Financial Statement



# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY															
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence	
			Financial Statements to Office of the Auditor General			Financial Statements to Office of the Auditor General	Financial Statements	Financial Statements to Office of the Auditor General by 31 August 2014			Statement submitted to Office of the Auditor General on time				
Compliance with legislative requirements	To ensure adherence to legislative requirement	Time schedule of key deadlines compiled	Timeous submission of time schedule of key deadlines to council	3%	Human Resource	Timeous submission of time schedule of key deadlines to council	Legislative compliance	Timeous and submission of time schedule of key deadlines to council by 31 August 2014	OpEX	N/A	Achieved  Time schedule of key deadlines submitted to council	N/A	N/A	Time Schedule of Key Deadlines and Council resolution	
Compliance with legislative requirements	To ensure adherence to legislative requirement	Draft budget adopted	Timeous Tabling of draft budget and Related Policies to council	3%	Human Resource	Tabled draft budget and Related Policies	Legislative compliance	Timeous Tabling of draft budget and Related Policies to council by the 31 March 2015	OpEX	N/A	Achieved  Draft budget and Related Policies tabled to council	N/A	N/A	Draft Budget, Related Policies and Council resolution	
Compliance with legislative requirements	To ensure adherence to legislative requirement	2014/2015 Budget and Related Policies	Timeous submission of 2015/2016 - 2017/2018 budget and Related Policies to Council	5%	Human Resource	Submitted 2015/2016 - 2017/2018 budget and Related Policies	Legislative compliance	Timeous submission of 2015/2016 - 2017/2018 budget and Related Policies to Council by 31 May 2015	OpEX	N/A	Achieved  2015/2016 - 2017/2018 budget and Related Policies submitted to council on time	N/A	N/A	Final Budget and Related Policies	
Effective financial management	To ensure effective financial management	12 Bank reconciliations prepared	Number of bank reconciliation s prepared	3%	Human Resource	Bank reconciliations prepared	Cash Flow Management	12 Bank reconciliations prepared within 20	OpEX	N/A	Achieved  12 Bank reconciliations	N/A	N/A	Bank Reconciliation Copies	

# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
	t		within 20 Days of the following month			within 20 Days		Days of the following month by 30 June 2015			ns prepared within 20 Days of the following month			
Ensure establishment of fully fledged SCM unit to deal with all components of the SCM policy	Improve turnaround time on bidding process to fast track service delivery	12 Monthly reporting of all tenders awarded and submitted to Treasury within 10 working days	Number of Monthly reports submitted to Treasury within 10 working days of all tenders awarded by the municipality	5%	Human Resource	Monthly reports submitted to Treasury within 10 working days	Legislative compliance	12 Monthly reports submitted to Treasury within 10 working days of all tenders awarded by the municipality by 30 June 2015	OpEX	N/A	Achieved 12 Monthly reports submitted to Treasury within 10 working days of all tenders awarded by the municipality	N/A	N/A	Printout from the National Treasury System
Effective assets management	To ensure effective assets management	New	Number of Asset reconciliation prepared between General ledger and the Asset register	5%	Human Resource	Asset reconciliation prepared between General ledger and the Asset register	Credible assets register and General ledger	1 Asset reconciliation prepared between General ledger and the Asset register by 30 June 2015	OpEX	N/A	Not Achieved	Assets Reconciliation not achieved due to ongoing valuation of immovable properties		GL Reconciliation
Effective assets management	To ensure effective assets management	4 Assets verification conducted	Number of Assets verification conducted	5%	Human Resource	Assets verification conducted	Credible assets register	1 Assets verification conducted by 30 June 2015	OpEX	N/A	Achieved Assets verification conducted	N/A	N/A	Asset Verification Report

# Chapter 3

KPA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget	Expenditure to date	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Active billing and collection system to enhance revenue	To ensure effective revenue system	New	Timeous submission of the Billing Statement for Postage Annually	2%	Human resources	Submitted Billing Statement for Postage	Accurate monthly Billing Statement	Timeous submission of the Billing Statement for Postage Annually by 15 Dec 2014	OpEX	N/A	Achieved  Billing Statement for Postage Annually prepared			Account Postage Book

# Chapter 3

## e) Key Performance Area: Good Governance and Public Participation

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	4 Municipal PMS quarterly Reports submitted	Number of Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	5%	Human Resource	Timeous submission of credible / reliable Municipal PMS quarterly reports to council	Credible / reliable Municipal PMS quarterly reports	4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	OpEx	OpEx	Achieved 4 Municipal PMS quarterly Reports submitted to council within 30 Days after the end of each Quarter	N/A	N/A	Council resolution and Municipal PMS quarterly Reports
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	Mid-year report 2013/14 submitted to Mayor, National Treasury and Provincial Treasury	Timeous Submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury	5%	Human Resource	Timeous submission of credible / reliable Mid-Term Report to Mayor, National Treasury and Provincial Treasury	Credible Mid-Term Report	Timeous submission of the Mid-Term Report to Mayor, National Treasury and Provincial Treasury by 25 January 2015	OpEx	OpEx	Achieved Mid-Term Report was submitted timeously to Mayor, National Treasury and Provincial Treasury	N/A	N/A	Council resolution and Acknowledgement Letters from National Treasury and Provincial Treasury
Ensuring submission of PMS Reports and Conducting	Ensure that PMS Reports are submitted on time and	4 Departmental Quarterly Performance	Number of Departmental Quarterly Performance Reviews	5%	Human Resource	Performance Reviews reports	Transparent and fairly performed performance reviews	4 Departmental Quarterly Performance Reviews performed per	OpEx	OpEx	Achieved 4 Departmental Quarterly Performance Reviews	N/A	N/A	Minutes and Attendance Register

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
reviews	Reviews conducted	nce Reviews performed per each Municipal Department	performed per each Municipal Department					each Municipal Department t by 30 June 2015			performed per each Municipal Department			
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Performance Report submitted to the Auditor General of South Africa	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa	5%	Prompt submission of quarterly reports and POE by the officials	Timeously submitted credible 2013/2014 Annual Performance Report	Compliance with MFMA	Timeous submission of 2013/2014 Annual Performance Report to the Auditor General of South Africa by 30 August 2014	OpEx	OpEx	Achieved 2013/2014 Annual Performance Report submitted timeously to the Auditor General of South Africa on time	N/A	N/A	2013/2014 Annual Performance Report
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	New	Timeous tabling of 2013/2014 draft Annual Report by Council	5%	Human resources	Timeous tabled 2013/2014 draft Annual Report	Reliable and transparent draft annual report tabled	Timeous tabling of 2013/2014 draft Annual Report by Council by 31 January 2015	OpEx	OpEx	Achieved 2013/2014 Draft Annual Report tabled by Council	N/A	N/A	Council resolution and Draft Annual Report

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence	
Ensuring submission of PMS Reports and Conducting reviews	Ensure that PMS Reports are submitted on time and Reviews conducted	2012/2013 Annual Report submitted to Council for approval	Timeous submission of 2013/2014 Annual Report to Council for approval	5%	MPAC and Directorates Inputs	Timeous submitted 2013/2014 Annual Report to Council	Reliable and transparent Annual report submitted timeously	Timeous submission of 2013/2014 Annual Report to Council for approval by 31 March 2015	OpEx	OpEx	Achieved 2013/2014 Annual Report was submitted to Council for approval	N/A	N/A	Council resolution and 2013/2014 Annual Report	
Development and review of the Integrated Development Plan	IDP Process Plan for 2015/16 financial year	2014/2015 IDP Process Plan submitted to Council	Timeous submission of the 2015/2016 IDP Process Plan to Council	1%	Human Resource	Submitted 2015/2016 IDP process plan to Council	Legislative compliance	Timeous submission of the 2015/2016 IDP Process Plan to Council by 31 August 2014	OpEx	N/A	Achieved 2015/2016 IDP Process Plan submitted to Council	N/A	N/A	Council resolution and IDP process Plan	
Development and review of the Integrated Development Plan	Preparation for the adoption of the IDP	2 Strategic IDP/PMS Steering Committee meetings held	Number of Strategic IDP/PMS Steering Committee meetings held	1%	Human Resource	Strategic IDP/PMS Steering Committee meetings held	Effective administration to ensure achievement of Municipal objectives	2 Strategic IDP/PMS Steering Committee meetings held by 30 April 2015	OpEx	OpEx	Achieved 2 Strategic IDP Steering Committee meetings held	N/A	N/A	Minutes and attendance register	
		1 IDP Rep Forum Convened	Number IDP Rep Forum Meeting Convened	5%	Human Resource	IDP Rep Forum Meeting Convened	Effective administration to ensure achievement of Municipal objectives	1 IDP Rep Forum Meeting Convened by 31 March 2015	OpEx	OpEx	Achieved 1 IDP Rep Forum Meeting Convened	N/A	N/A	Minutes and attendance register	
	Development	2014/2015	Timeous	2%	Human	Tabled	Legislative	Timeous	OpEx	OpEx	Achieved	N/A	N/A	Draft 2015/2016	

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
	t of the Reviewed IDP Document for 2015/2016	5 IDP tabled	tabling of the 2015/2016 Draft IDP by Council		Resource	2015/2016 draft IDP by Council	compliance	tabling of the 2015/2016 Draft IDP by Council by 31 March 2015			2015/2016 Draft IDP Tabled before Council			IDP and Council resolution
		2014/2015 IDP submitted	Timeous submission of the 2015/2016 IDP to Council	2%	Human resource	Submitted 2015/2016 IDP to Council	Legislative compliance	Timeous submission of the 2015/2016 IDP to Council by 31 May 2015	OpEx	OpEx	Achieved  2015/2016 IDP submitted to Council	N/A	N/A	2015/2016 IDP and Council resolution
Development and Review of the Performance Management System	Review the Performance management System Policy Framework	2014/2015 PMS Policy Framework reviewed	Reviewed 2015/2016 PMS Policy Framework	2%	Human resources	Reviewed 2015/2016 PMS Policy Framework	Effective and efficient performance management system	Reviewed 2015/2016 PMS Policy Framework by 31 March 2015	OpEx	OpEx	Achieved  2015/2016 PMS Policy Framework reviewed	N/A	N/A	PMS Policy Framework and Council resolution
Development and Review of the Performance Management System	Development of SDBIP 2014/2015 document	2014/2015 SDBIP developed	Developed 2015/2016 SDBIP	2%	Human resources	Developed 2015/2016 SDBIP	Effective and efficient administration	Developed 2015/2016 SDBIP by 30 June 2015	OpEx	OpEx	Achieved  2015/2016 SDBIP Developed	N/A	N/A	Signed 2015/2016 SDBIP

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Development and Review of the Performance Management System	Development of Performance Agreements for Financial Year 2014/2015	6 Senior Managers with signed PAs	Number of Performance Agreements Developed for Senior Managers	2%	Human resources	Developed Performance Agreements for Senior Managers	Effective and efficient performance management system	5 Performance Agreements Developed for Senior Managers by 14 July 2014	OpEx	OpEx	Achieved  5 Performance Agreement Developed for Senior Managers	N/A	N/A	Signed Performance Agreements
Development and Review of the Performance Management System	Audit queries attended to within the timeframe.	New	Developed Audit Action Plan	2%	Human resource	Developed Audit Action Plan	Improved audit opinion, improved financial and nonfinancial performance of the municipality	Developed Audit Action Plan by 31 January 2015	OpEx	OpEx	Achieved  Audit Action Plan developed	N/A	N/A	Action Plan
Development and Review of the Performance Management System		New	Timeous response to Internal Auditor's Findings 30 days after receiving the report	2%	Human resource	Response to Internal Auditor's Findings within 30 days	Effective and efficient internal control systems	Timeous responses to Internal Auditor's Finding 30 days after receiving the report	OpEx	OpEx	Achieved  Internal Auditor's Finding responded to	N/A	N/A	Copy of Response
Communication Strategy	Development of the Communication Strategy	Draft Communication Strategy developed	Timeous submission of the Communication Strategy to Council	2%	Human resource	Submitted communication Strategy	Effective communication channel to conduct the day to day activities of the Municipality	Timeous submission of the Communication Strategy to Council by 30 September 2014	OpEx	OpEx	Achieved  Communication Strategy submitted to Council	N/A	N/A	Communication Strategy and Council resolution



# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Development of Newsletter	To publish and distribute the municipal newsletter	4 Municipal newsletters published and distributed	Number of municipal newsletters published and distributed	2%	Budget	Municipal newsletters published and distributed	Effective communication channel to conduct the day to day activities of the Municipality	4 Municipal newsletters published and distributed by 30 June 2015	200 000	0	Not Achieved  Municipal newsletters not published and distributed	Vacant position of the communication officer	Recruit the communication officer	Resignation letter
Development of municipal Logo	To create municipal Logo	Municipal logo samples created	Created Municipal Logo	2%	Budget	Created Municipal logo	Effective communication channel to conduct the day to day activities of the Municipality	Created Municipal logo by 30 September 2014	100 000	0	Achieved  Municipal Logo created	N/A	N/A	Municipal Logo
Development of municipal website	To develop the Municipal Website	Service Provider Appointed	Developed Municipal Website	2%	Budget	Developed Municipal Website	Effective communication channel to conduct the day to day activities of the Municipality	Municipal Website developed by 30 September 2014	20 000	0	Achieved  Municipal Website developed	N/A	N/A	Web page
To Provide democratic and accountable government for local communities	To promote culture of accountability through public and stakeholder participation	55 ward committee meetings held	Number of ward committee meetings coordinated	5%	Budget	Ward Committee meetings coordinated	Facilitate decision making at community level	120 Ward committee Meetings coordinated by 30 June 2015	3 000 000	1 983 567.00	Achieved  120 Ward committee Meetings coordinated	N/A	N/A	Minutes & Attendance Register
To Provide	To promote	17 Public	Number of	5%	Human	Public	Facilitate	120 ward			Not Achieved			

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
democratic and accountable government for local communities	culture of accountability through public and stakeholder participation	meetings held	ward public meetings coordinated		Resource	Ward meetings coordinated	decision making at community levels	Public Meetings coordinated by 30 June 2015			120 ward Public Meetings coordinated			
To Provide democratic and accountable government for local communities	To promote culture of accountability through public and stakeholder participation	Established & Functional Ward Committee Forum	Number of Ward Committee Forum Meetings Held	3%	Human Resource	Ward Committee Forum Meetings Held	Facilitate decision making at community levels	4 Ward Committee Forum Meetings Held by 30 June 2015	OpEx	OpEx	Achieved  4 Ward committee Forum Meeting held	N/A	N/A	Minutes and Attendance Register
Facilitate provision of free basic services	To update indigent register	Updated indigent register	% Updated indigent register	2%	Human, resource	Updated Indigent Register	Facilitate the provision of Free Basic Services	100% Updated indigent register by 30 June 2015	OpEx	N/A	Achieved  100% Updated indigent register	N/A	N/A	Old and Updated Indigent Register
Promote customer feedback	To promote customer feedback on specific services	100% Queries registered	Queries Or Complaints registered and attended to within 7 working days after the reported incident date	2%	Human resource	Queries Or Complaints registered and attended to within 7 working days	Improved turnaround time attended to queries or complaints	Queries Or Complaints registered and attended to within 7 working days after the reported incident date by 30 June 2015	OpEx	N/A	Achieved  Queries Or Complaints registered attended to within 7 working days after the reported incident date	N/A	N/A	Queries/Complaints Register
Advocacy	To support	3	Number of	2%	Budget	Disability	Supported	5 Disability	150 000	86 149	Achieved	N/A	N/A	Report

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
for the rights of the elderly, children and persons with disability	people with disabilities	programmes Supported	Disability Programmes Supported per plan			Programmes Supported	disability programmes	Programmes Supported per plan by 30 June 2015		.00	5 Disability Programme supports per plan			
Advocacy for the rights of the elderly, children and persons with disability	Advocate for elderly rights	2 awareness Programmes held for elderly rights	Number of awareness Campaigns for advocacy of elderly	2%	Budget	Awareness Campaigns for advocacy of elderly rights held	Raised awareness towards the elderly rights	8 Awareness Campaigns for advocacy of elderly rights held by 30 June 2015	400 000	380 005.00	Achieved  8 awareness Campaigns for advocacy of elderly rights held	N/A	N/A	Report
Advocacy for the rights of the elderly, children and persons with disability	Advocate for the rights of children	Support given to 19 ECD's development programmes	Number of ECD's supported per plan	2%	Budget	ECD's supported	To develop and empower communities	4 ECD's supported per plan by 30 June 2015			Achieved  4 ECD's supported per plan	N/A	N/A	Report
Promote youth development	Promotion of youth development	Youth Development programme supported	Number of Youth Development Programmes supported per plan	2%	Budget	Youth Development Programmes supported	Progressive and Developed Youth members	5 Youth development Programmes Supported per plan by 30 June 2015	200 000	70 539.00	Achieved  5 Youth development Programme supports per plan	N/A	N/A	Report

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
Promote youth development	To motivate and support top Grade 12 achievers with necessary study equipment's	Grade 12 best performer awards held every year	Number of Grade 12 top achievers award ceremony held	2%	Budget	Grade 12 top achievers award ceremony held	Motivated Grade 12 top performers	1 Grade 12 top achievers award ceremony held by 31 Jan 2015	250 000	246 004.00	Achieved  1 Grade 12 top achievers award ceremony	N/A	N/A	Report
Promote youth development	To take a Girl Child to a practical Work Environment	Girl Children taken to practical working environment	Number of Girl child taken to practical work environment	2%	Budget	Girl child taken to practical work environment	Motivated girl Children taken to practical work environment	20 Girl Child taken to practical work Environment by 30 June 2015	OpEx	OpEx	Target exceeded  35 Girl Child taken to practical work Environment	To develop and empower girls	To research better to ensure compliance with the plan in the next financial year	Report and Attendance Register
Support HIV/AIDS programs, NGO's, FBO's and CBO's	To support NGOs, FBOs and CBOs	Registered NGOs, FBOs and CBOs supported	Number of NGOs, FBOs and CBOs Programmes Supported per plan	2%	Budget	NGOs, FBOs and CBOs Programmes Supported	Functional and effective NGOs, FBOs and CBOs	15 NGOs, FBOs and CBOs Programmes supported per plan by 31 June 2015	100 000	0	Achieved  15 NGOs, FBOs and CBOs supported per plan	N/A	N/A	Report & Attendance Register
Support HIV/AIDS programs	Intensify HIV/AIDS awareness and support HIV/Aids	1 HIV/AIDS campaign conducted	Number of HIV/AIDS Programmes Supported per plan	2%	Budget	HIV/AIDS awareness Programme supported	Protection of vulnerable families	2 HIV/AIDS awareness Programmes Supported per plan by 30	80 000	45 816.00	Achieved  2 HIV/AIDS Programmes Supported per	N/A	N/A	Report and attendance register

# Chapter 3

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Objective	Measurable Objective	Baseline	Key Performance Indicators	Weight	Input Indicator	Output Indicator	Outcome Indicator	Annual Targets	Budget allocation 2014/15	Expenditure	Actual Performance	Reason for Deviation	Remedial Action	Portfolio of Evidence
	programmes							June 2015			plan			
Mandela day	Support 67 Minutes of Mandela Day initiatives	1 Mandela Day initiative programme supported	Number of Mandela Day initiative programmes supported per plan	1%	Budget	Mandela Day initiative programmes supported	To make a difference in someone's life	3 Mandela day initiative Programmes Supported per plan by 31 March 2015	OpEx	OpEx	Achieved  3 Mandela day initiative Programmes Supported per plan	N/A	N/A	Report and Attendance Register
Moral regeneration	Support moral regeneration programmes	Moral regeneration programmes supported	Number of moral regeneration programmes supported per plan	3%	Budget	Moral regeneration programmes supported	Raised awareness on moral issues	2 Moral Regeneration Programmes Supported per plan 30 June 2015	50 000	25 086 .00	Achieved  2 Moral Regeneration Programme supported	N/A	N/A	Report and Attendance register
To ensure effective Community Services	Support to Community initiated Matsema	2 supported community initiated Matsema	Number of community initiated Matsema supported per plan	2%	Budget	Community initiated Matsema supported	Uplifted community socio-economic conditions	4 Community initiated Matsema supported per plan by 30 June 2015	OpEx		Achieved  4 Community initiated Matsema supported per plan	N/A	N/A	Report and Attendance Register
To promote environment	To promote eco-friendly environment	New	% developed Greening plan	2%	Budget	Developed Greening plan	Eco-friendly environment	100% developed Greening plan by 30 June 2015	100 0000	0	Achieved  Greening plan developed	N/A	N/A	Greening Plan

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

The tables below illustrate human resource management activities.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The total employees per each Municipal Directorate have been illustrated on chapter 3.

The table below illustrates vacancies versus approved posts and vacant posts that were addressed effectively by the Municipality

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	1	1	1	0	0
Waste Water (Sanitation)	1	1	1	1	0
Electricity	4	4	4	0	0
Waste Management	0	0	0	0	0
Housing	0	0	0	0	0
Waste Water (Stormwater Drainage)	0	0	0	0	0
Roads	0	0	0	1	0
Transport	0	0	0	0	0
Planning	0	0	0	0	0
Local Economic Development	4	4	4	0	0
Planning (Strategic & Regulatory)	3	3	3	0	0
Local Economic Development	0	0	0	0	0
Community & Social Services	9	9	9	0	0
Environmental Protection	0	0	0	0	0
Health	0	0	0	0	0
Security and Safety	0	0	0	0	0
Sport and Recreation	0	0	0	0	0
Corporate Policy Offices and Other	74	72	72	2	0
<b>Totals</b>	<b>96</b>	<b>94</b>	<b>94</b>	<b>3</b>	<b>0</b>

# Chapter 4

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	4	2	50.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	6	0	0.00
Senior management: Levels 13-15 (Finance posts)	1	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	6	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)	72	0	0.00
<b>Total</b>	<b>94</b>	<b>3</b>	<b>20.66</b>

# Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -1	2	0	0%
Year 0	17	9	52%

## COMMENT ON VACANCIES AND TURNOVER:

The Municipality advertised to fill 4 Section 57 post during year 0, however could not managed to fill the said posts due to the possible merger of Kagisano-Molopo Local Municipality and Naledi Local Municipality that was anticipated by the Municipal Demarcation Board

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Employees Bursary	100%	100%	28 August 2014
2	Community Bursary	100%	100%	28 August 2014
3	Cellphone allowance	100%	100%	28 August 2014
4	Employee Assistance / Wellness	100%	100%	28 August 2014
5	Telephone Usage	100%	100%	28 August 2014
6	Smoking	100%	100%	28 August 2014
7	HIV/AIDS	100%	100%	28 August 2014
8	Occupational Health and Safety	100%	100%	28 August 2014
9	Leave and Overtime	100%	100%	28 August 2014
10	Recruitment, Selection and Appointments	100%	100%	28 August 2014

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The above HR policies were 100% reviewed during 2014-15 financial year.



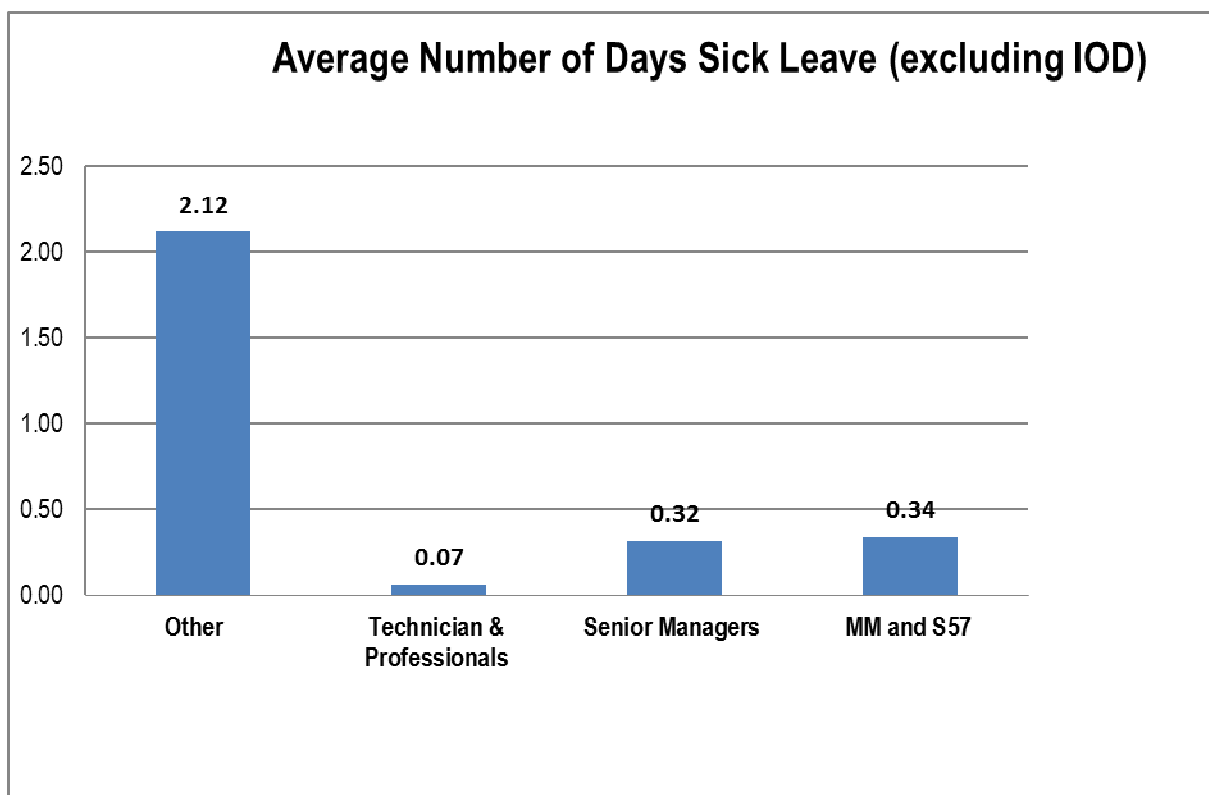
# Chapter 4

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee Days	Total Estimated Cost
	Days	No.	%		R'000
Required basic medical attention only	0	0		0	0
Temporary total disablement	35	3	9%	7	235 513.60
Permanent disablement	0	0		0	0
Fatal	0	0		0	0
<b>Total</b>	<b>35</b>	<b>3</b>	<b>9%</b>	<b>7</b>	<b>235 513.60</b>

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Other	195	0	30	74	2.12	381 144
Technician & Professionals	6		6	6	0.07	1 040 352
Senior Managers	29	0	7	7	0.32	502 836.80
MM and S57	31	0	31	5	0.34	537 515.00
<b>Total</b>	<b>261</b>	<b>0%</b>	<b>74</b>	<b>92</b>	<b>2.84</b>	<b>4 525 531.20</b>

# Chapter 4



## COMMENT ON INJURY AND SICK LEAVE:

The municipality has established Health and safety committee to deal with all risks or health hazards in the work place.

## NUMBER AND PERIOD OF SUSPENSIONS:

No suspensions\_during the 2014/2015 financial Year

## Disciplinary Action Taken on Cases of Financial Misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised
During Year 0 there were no Financial Misconduct			

# Chapter 4

## 4.4 PERFORMANCE REWARDS

### COMMENT ON PERFORMANCE REWARDS:

No performance rewards were made to employees in 2014/2015.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality is providing Bursaries to all Employees as a capacity development intervention, and further through Works skills Development Programme that seeks to provide short courses and skills development.

## 4.5 SKILLS MATRIX

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	1	1	0	0	1	1	0	0	1	0	1	1	0
	Male	4	3	1	1	3	0	0	1	3	0	4	4	1
Councilors, senior officials and managers	Female	13	2	1	1	9	1	12	0	0	0	11	13	12
	Male	21	1	1	1	0	0	10	1	0	0	2	1	11
Technicians and professionals	Female	2	2	2	2	0	11	11	2	0	0	4	13	13
	Male	4	1	1	1	0	0	0	1	0	0	2	1	1
Others	Female	35	5	5	5	25	12	12	7	3	3	12	20	20
	Male	39	0	0	0	33	14	14	3	2	2	0	16	16
	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female	41	10	8	8	35	23	35	9	4	3	5	4	3
	Male	53	5	3	3	36	14	24	5	5	2	6	3	3
Total		94	15	11	11	71	37	59	14	9	5	11	7	6

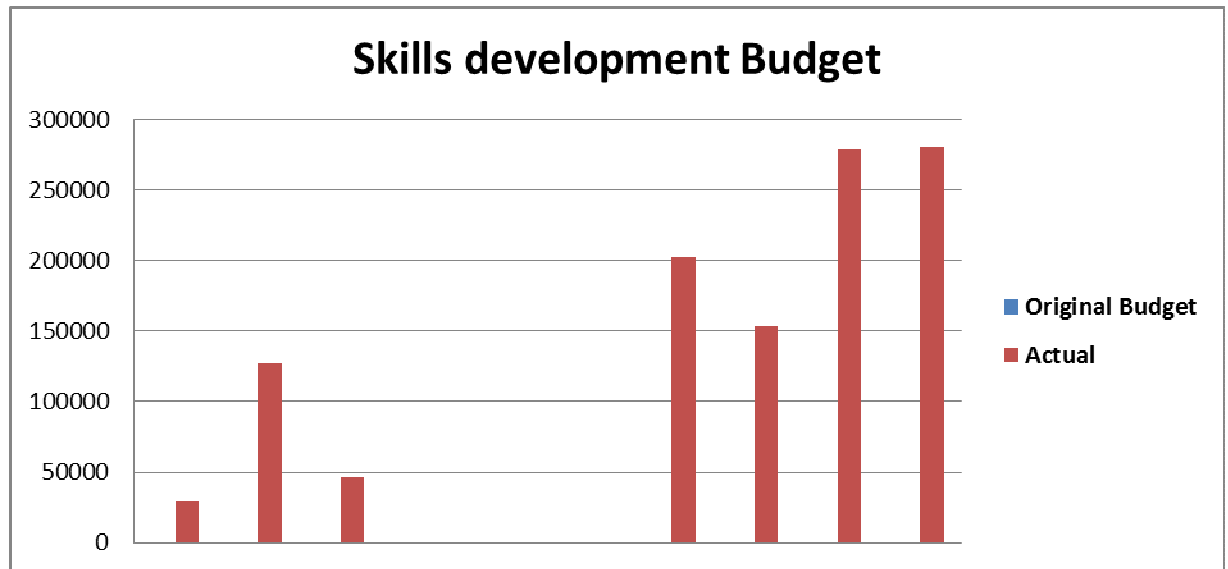
# Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	1	0	1	0	1	1
Chief financial officer	1	0	1	0	1	1
Senior managers		0	0	0	0	0
Any other financial officials	7	0	7	0	7	7
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	0	1	1
Supply chain management senior managers	1	0	1	1	1	1
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>1</b>	<b>11</b>	<b>11</b>

# Chapter 4

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female			27500		1710				29210
	Male			127500						127500
Legislators, senior officials and managers	Female			45000		1710				46710
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female			63750		138722				202472
	Male			63750		89736				153486
Other	Female			136250		142142				278392
	Male			191250		89736				280986
Sub total	Female			272500		284284				556784
	Male			382500		179472				561972
Total		0	800000	655000	0	463756	1000 000	0	1800000	1118756

# Chapter 4



# Chapter 4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 EMPLOYEE EXPENDITURE

#### INTRODUCTION TO THE WORKFORCE EXPENDITURE

The municipality has put aside R 800 000 to train its employees and also budgeted R 1 000 000 to provide employees with bursaries in order for the municipality to comply with MFMA competency regulation.

#### NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED

None, N/A

#### EMPLOYEES WHOSE SALRIES LEVELS EXCCEEDD THE GRADE DETERMINED BY JOB EVALUATION

None, N/A

#### EMPLOYEES APPOINTED TO POSTS NOT APPROVED

None, N/A

#### COMMENT ON THE UPGRADED POSTS AND THOSE THAT ARE AT VARIENCE WITH NORMAL PRACTICE

None, N/A

#### DISCLOSURES OF FINANCIAL INTERESTS

Declaration of Interest was circulated to all employees of the municipality and CIPRO search performed. No related party transaction occurred between the Municipality and its Key Management.

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Refer to the below page for 2014-2015 Audited Annual Financial Statements



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# **KAGISANO-MOLOPO LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

# Annual Financial Statements

for

KAGISANO-MOLOPO LOCAL MUNICIPALITY

for the year ended 30 June 2015

Province:

North West
------------

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**CONTACT INFORMATION**

**MUNICIPAL MANAGER**

Name:	A.R. Khuduge
Contact nr:	(053) 998 4455
Email address:	khudugea@kmlm.gov.za

**CHIEF FINANCIAL OFFICER (ACTING)**

Name:	O.O. Ntsimane
Contact nr:	(053) 998 4455
Email address:	ntsimaneo@kmlm.gov.za

**CONTACT AT PROVINCIAL TREASURY**

Name:	M.J. Nengovhela
Contact nr:	018 388 4407
Email address:	mnengovhela@nwpg.gov.za

**CONTACT AT NATIONAL TREASURY**

Name:	Sadesh Ramjathau
Contact nr:	012 315 5101
Email address:	sadesh.ramjathau@treasury.gov.za

**EXTERNAL AUDITOR**

Name:	Auditor-General of South Africa
Contact person:	Lorraine van der Grijp
Contact nr:	(018) 294 3301
Email address:	<a href="mailto:lvandergrijp@agsa.co.za">lvandergrijp@agsa.co.za</a>

**REGISTERED OFFICE AND PHYSICAL ADDRESS**

Municipal Offices  
Next to Ganeyesa Clinic  
Chief Block Section  
8613

**POSTAL ADDRESS**

Private Bax X522  
Ganyesa  
8613

**MUNICIPAL TELEPHONE NUMBER**

053 988 4455

**MUNICIPAL FAX NUMBER**

053 988 3711

**MUNICIPAL EMAIL ADDRESS**

ntsimaneo@kmlm.gov.za

## GENERAL INFORMATION

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment;
- to encourage the involvement of communities and community organisations in the matters of local government

*K.V Kekesi*  
*S. K. M. Namusi*  
*B.C. Chichindua*  
*B.B. Dithakgwe*  
*S.R. Modise*  
*K. S. Moreki*  
*T.V. Setae*  
*T Baakanyang*  
*K Baepi*  
*L Bahumi*  
*Z Cufa*  
*M Diphikwe*  
*L Gaobepe*  
*T Kegakilwe*  
*B Keitebetse*  
*O Lethhogile*  
*T Lenner*  
*T Loabile*  
*L Makwati*  
*T Lethhogile*  
*K Mekgwe*  
*T Matlhe*  
*T Miguel*  
*B Mothibi*  
*A Molale*  
*P Mmerekhi*  
*N Muller*  
*M Ntlhaile*  
*K Nthebotsenyane*  
*S Ngamole*  
*T Olaotswe*  
*O Phillip*  
*I Ratshipa*  
*M Sedumecwe*  
*M Seeletso*  
*N Seswai*

[illegible]

A.R. Khuduge  
O.O. Ntsimane  
Grade 2  
The Auditor General of South Africa  
ABSA

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

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**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**ACCOUNTING OFFICERS RESPONSIBILITIES AND APPROVAL OF THE ANNUAL  
FINANCIAL STATEMENTS**

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The external auditors will express an opinion on whether the financial statements are prepared, in all material aspects, in accordance with the reporting framework and will be given unrestricted access to all financial records and related data.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The municipality is wholly dependent on the grant funding for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern. The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2015 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements, which are prepared on the going concern basis as set out on pages **147** to **211** have been signed by myself on behalf of the Municipality on 31 August 2015.

A.R. Khuduge  
Accounting Officer

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015  
**REPORT OF THE CHIEF FINANCIAL OFFICER**

**1. INTRODUCTION**

These management financial statements are prepared in terms of the Section 122 of the Municipal Finance Management Act and presents a report on the status of this municipality's performance against its budget, the management of its revenue, expenditure, assets and liabilities, its operational activities, financial results and the municipal financial position as at 30 June 2015.

**2. BASIS OF ACCOUNTING**

These Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance as detailed in the Significant Accounting Policies section.

**3. REVIEW OF OPERATING RESULTS**

**3.1 General**

Details of the operating results per vote and classification of revenue and expenditure are included in Appendices D and E. The overall operating results for the period ended 30 June 2015 are as follows:

	<b>Actual 2014 R</b>	<b>Actual 2015 R</b>	<b>Variance 2014/2015 %</b>	<b>Budget 2015 R</b>	<b>Variance Actual/Budget %</b>
Revenue	123 593 211	125 748 004	1,7%	104 373 000	18,4%
Expenditure	(129 028 361)	(152 168 313)	15,2%	(129 137 008)	-0,1%
Other	(1 160 667)	373 613	0,0%	-	-100,0%
<b>Nett surplus for the year</b>	<b>(6 595 817)</b>	<b>(26 046 696)</b>	<b>294,9%</b>	<b>(24 764 008)</b>	<b>5,2%</b>

For explanations of significant variances refer Appendix D and Statement of Actual versus Budget.

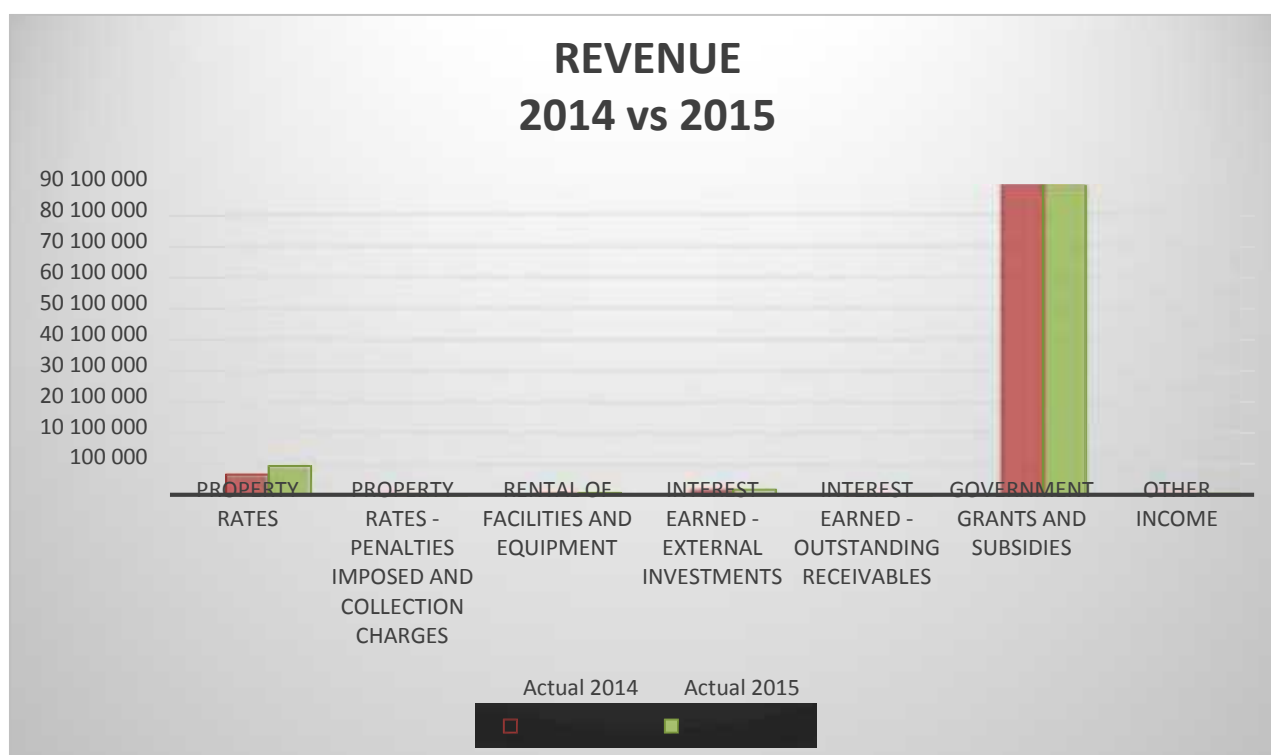
**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**3.2 Revenue**

The detail breakdown of operating revenue is as follows for the period ended 30 June 2015:

	<b>Actual 2014 R</b>	<b>Actual 2015 R</b>	<b>Variance 2014/2015 %</b>	<b>Budget 2015 R</b>	<b>Variance Actual/Budget %</b>
Property Rates	6 692 201	9 547 738	42,7%	9 804 000	2,7%
Property rates - penalties imposed and collection charges	-	-	100,0%	-	0,0%
Rental of facilities and equipment	691 177	852 383	23,3%	1 250 000	46,6%
Interest earned - External Investments	1 865 683	1 843 835	-1,2%	1 100 000	-40,3%
Interest earned - Outstanding Receivables	-	-	0,0%	-	0,0%
Government grants and subsidies	114 182 911	112 930 968	-1,1%	91 589 000	-18,9%
Other income	161 239	573 079	255,4%	630 000	9,9%
<b>Total revenue</b>	<b>123 593 211</b>	<b>125 748 004</b>	<b>1,7%</b>	<b>104 373 000</b>	<b>-17,0%</b>

For explanations of significant variances refer Appendix D and Statement of Actual versus Budget.



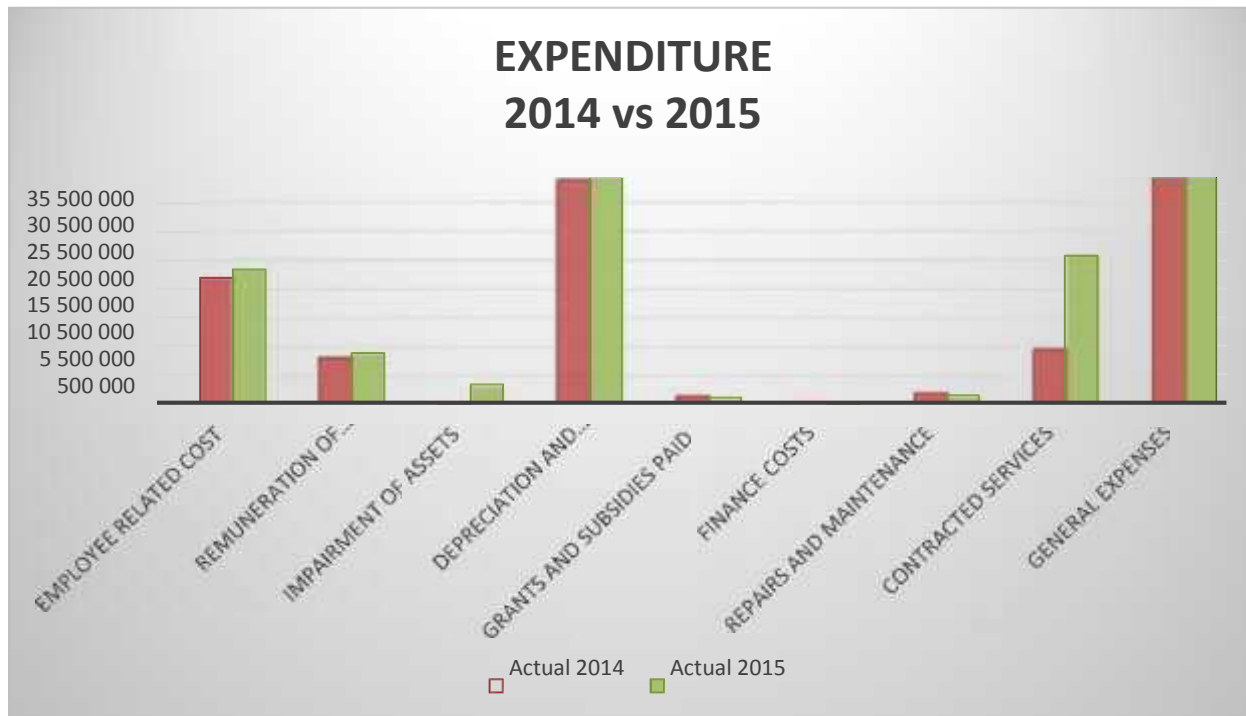


**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**3.3 Expenditure**

	Actual 2014 R	Actual 2015 R	Variance 2014/2015 %	Budget 2015 R	Balance remaining on %
Remuneration of councillors	8 604 101	9 241 574	7,4%	9 113 624	-1,4%
Impairment of Assets	347 718	3 730 056	0,0%	2 836 000	-24,0%
Depreciation and amortisation	39 496 016	41 963 012	0,0%	21 800 000	-48,0%
Grants and subsidies paid	1 990 903	1 448 018	100,0%	1 350 000	-6,8%
Finance Costs	561 653	283 818	-49,5%	125 000	-56,0%
Repairs and maintenance	2 533 571	1 849 792	-27,0%	1 580 000	-14,6%
Contracted services	10 080 659	26 370 834	161,6%	24 380 000	-7,5%
General Expenses	42 898 060	43 335 972	1,0%	40 747 433	-6,0%
<b>Total expenditure</b>			<b>17,9%</b>	<b>129 137 008</b>	<b>-15,1%</b>

For explanations of significant variances refer Appendix D and Statement of Actual versus Budget.

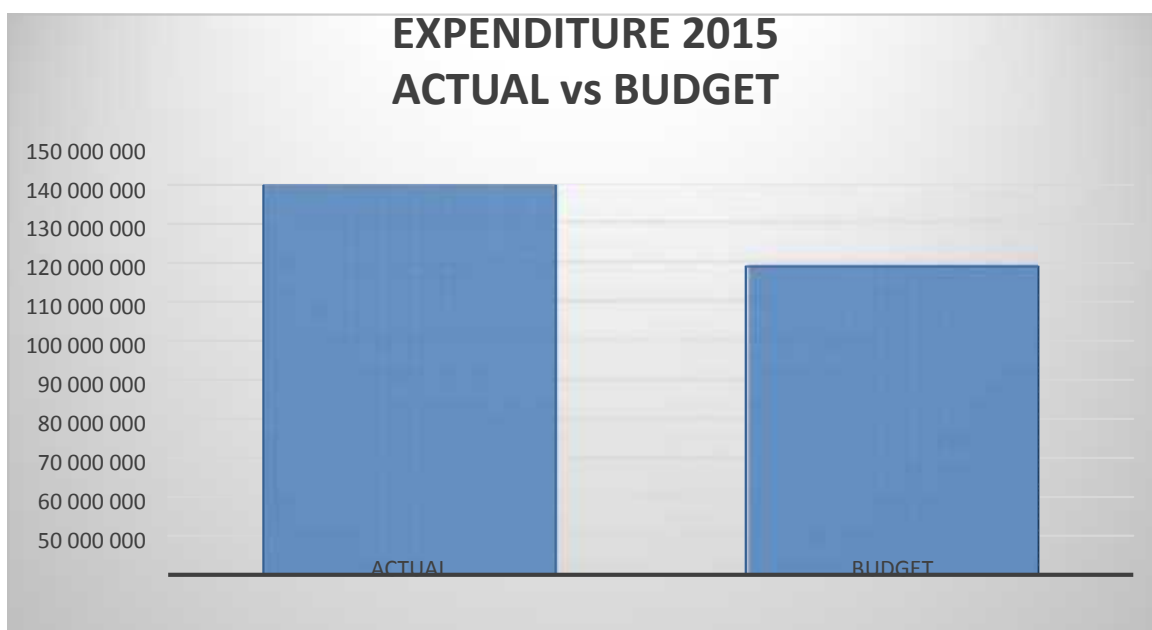


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### 3.4 Budget

The total operating budget performance is summarized as follows:

	Actual 2014/2015 R	Budget 2015 R	Balance remaining on budget	
			R	%
Expenditure	152 168 313	129 137 008	(23 031 305)	-17,8%



### 4. CONDITIONAL GRANTS

	Unspent Grant Opening Balance	Current year receipts	Conditions met	Unspent Grant Closing Balance
		R	R	R
MIG Grant	4 848 222	19 547 000	(24 395 221)	-
DSAC - Libraries	927 173	580 000	(626 748)	880 425
FMG Grant	-	2 588 000	(2 588 000)	-
MSIG Grant	-	930 000	(930 000)	-
EPWP Grant	-	1 000 000	(1 000 000)	-
LGSeta	206	56 700	-	56 906
<b>Total</b>	<b>5 775 601</b>	<b>24 701 700</b>	<b>(29 539 969)</b>	<b>937 332</b>

### 5. CONCLUSION

I would like to extend my appreciation to the Mayor, Councillors, Municipal Manager, Management, all staff members and all other role players for their support, assistance and participation in getting the job done in the 2014/2015 financial year to date.

**O.O. Ntsimane (Acting CFO)**  
**31 August 2015**

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**SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS**

**1 BASIS OF ACCOUNTING**

**1,1 BASIS OF PRESENTATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) including any exemptions and directives issued by the accounting standards board (ASB).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

**1,2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

**1,3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

**1,4 COMPARATIVE INFORMATION**

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

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**1,5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION AND UNCERTAINTY**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

**STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET**

**1,6 EFFECTIVE**

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality. The nature of the impending changes in accounting policy and the impact on the Municipality's financial statements once implemented are as follows:

<u>GRAP Standard</u>	<u>Effective date as determined by Minister of Finance</u>	<u>Possible Impact on the financial statements on initial application</u>
GRAP 20 - Related Party Disclosures	Unknown	Full disclosure of nature and effect all related party transactions of management, their close members of family,
GRAP 108 - Statutory Receivables	Unknown	Recognition and measurement of statutory receivables. Disclosure of statutory receivables to enable users of the financial statements to evaluate the significance of statutory receivables on its financial position and performance.

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**2 PROPERTY, PLANT AND EQUIPMENT**

**2,1 INITIAL RECOGNITION**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

**2,2 SUBSEQUENT MEASUREMENT - COST MODEL**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

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**2,3 DEPRECIATION AND IMPAIRMENT**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

<b>Infrastructure</b>	
Roads network	10-70
Electricity network	45
Stormwater network	30-50
Landfill Site Perimeter Protection and structures	10-55

<b>Community</b>	
Buildings	30
Recreational Facilities	30
Cemeteries	30
Halls	30
Libraries	30
Civic Buildings	30
Other assets	15-30

<b>Other</b>	
Office equipment	7
Furniture and fittings	7
Emergency equipment	5
Computer equipment	5
Machinery and Equipment	5-10
Official Vehicles	7
Other assets	5-10

The residual value and the useful life of an asset is reviewed at each reporting date to determine if there is any indication that the municipality's expectations about the residual value and the useful life of the asset have changed since the preceding reporting period. If any such indication exists, the municipality shall revise the expected useful life and/or residual value accordingly. Any changes are recognised as a change in accounting estimate ito GRAP 3.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the surplus or deficit.

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## **2,4 DERECOGNITION**

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **3 INTANGIBLE ASSETS**

### **3,1 INITIAL RECOGNITION**

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, and licences. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) Its intention to complete the intangible asset and use or sell it.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits or service potential. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially measured at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

### **3,2 SUBSEQUENT MEASUREMENT - COST MODEL**

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairments. The depreciable amount of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

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### **3,3 AMORTISATION AND IMPAIRMENT**

Amortisation is charged so as to write off the depreciable amount or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	5
-------------------	---

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

### **3,4 DERECOGNITION**

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **4 INVESTMENT PROPERTY**

### **4,1 INITIAL RECOGNITION**

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The construction or development of a self-constructed investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in surplus or deficit.

### **4,2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.



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**4,3 DERECOGNITION**

An investment property shall be derecognised (eliminated from the statement of financial position):

- (a) on disposal (including disposal through a non-exchange transaction) or;
- (b) when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in surplus or deficit (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback) in the period of the retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up shall be recognised in surplus or deficit when the compensation becomes receivable.

**5 NON-CURRENT ASSETS HELD FOR SALE**

**5,1 INITIAL RECOGNITION**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**5,2 SUBSEQUENT MEASUREMENT**

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

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**6 FINANCIAL INSTRUMENTS**

**6,1 INITIAL RECOGNITION**

When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**6,2 SUBSEQUENT MEASUREMENT**

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

Financial assets and financial liabilities after initial recognition using the following categories:

- at fair value;
- at amortised cost;
- at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review at each reporting date.

**6.2.1 INVESTMENTS**

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

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**6.2.2 TRADE AND OTHER RECEIVABLES**

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

**6.2.3 TRADE PAYABLES AND BORROWINGS**

Financial liabilities consist of trade payables, accruals, borrowings and consumer deposits. They are categorised as financial liabilities held at amortised cost.

When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

**6.2.4 CASH AND CASH EQUIVALENTS**

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

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**7 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**8 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**9 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

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A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

## **11 LEASES**

### **11,1 MUNICIPALITY AS LESSEE**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, at the interest rate implicit in the lease. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

### **11,2 MUNICIPALITY AS LESSOR**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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**12 REVENUE**

**12,1 REVENUE FROM EXCHANGE TRANSACTIONS**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold/percentage of completion, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

**12,2 REVENUE FROM NON-EXCHANGE TRANSACTIONS**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

**12,3 GRANTS, TRANSFERS AND DONATIONS**

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

**13 EXPENDITURE**

Expenditure is recognised once there is a decrease in economic benefits or service potential during the financial period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets.

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**14 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

**15 RETIREMENT BENEFITS**

**Defined Contribution Plan**

The municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councillors have rendered the employment service or served office entailing them to the contributions.

**16 IMPAIRMENT OF ASSETS (CASH-GENERATING AND NON-CASH GENERATING)**

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an cash-generating or non-cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units and non-cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets.

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ending 30 June 2015

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or  
A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**17 CAPITAL COMMITMENTS**

Capital Commitments disclosed are the estimated amounts of capital contracts remaining to be executed after year-end.

**18 VALUE ADDED TAXATION (VAT)**

The municipality accounts for value added taxation on the accrual basis.

**19 EMPLOYEE BENEFITS**

**19,1 LONG-SERVICE AWARDS**

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued at each reporting date by an independent qualified actuary and the corresponding liability is raised.

Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

**20 RELATED PARTIES**

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.



**KAGISANO-MOLOPO LOCAL MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION**

as at 30 June 2015

		<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	<b>1</b>	26 096 227	26 602 778
Trade receivables from non-exchange transactions	<b>2.1</b>	477 447	11 692 887
Trade receivables from exchange transactions	<b>2.2</b>	823 105	735 237
Other receivables from non-exchange transactions	<b>3</b>	511 674	1 196 047
VAT receivable	<b>4</b>	10 831 557	16 432 713
<b>Non-current assets</b>			
Property, plant and equipment	<b>5</b>	943 313 771	947 367 596
Intangible Assets	<b>6</b>	105 727	80 191
Investment Properties carried at fair value	<b>7</b>	41 593 000	41 229 000
<b>Total assets</b>		<b>1 023 752 508</b>	<b>1 045 336 448</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	<b>8</b>	14 003 970	16 058 965
Current provisions	<b>9</b>	22 279 799	10 973 126
Current portion of unspent conditional grants and receipts	<b>10</b>	937 332	5 775 600
Long service award liability	<b>11</b>	50 466	37 466
<b>Non-current liabilities</b>			
Long service award liability	<b>11</b>	698 115	661 766
<b>Total liabilities</b>		<b>37 969 681</b>	<b>33 506 924</b>
<b>Net assets</b>		<b>985 782 827</b>	<b>1 011 829 524</b>
<b>NET ASSETS</b>			
Accumulated surplus / (deficit)		985 782 827	1 011 829 525
<b>Total net assets</b>		<b>985 782 827</b>	<b>1 011 829 525</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ending 30 June 2015

	Note	2015 R	2014 R
<b>Revenue from non-exchange transactions</b>			
Property Rates	12	9 547 738	6 692 201
Government grants and subsidies	13	112 930 968	114 182 911
<b>Revenue from exchange of transactions</b>			
Rental of facilities and equipment	14	852 383	691 177
Interest earned	15	1 843 835	1 865 683
Other income	16	573 079	161 239
<b>Total revenue</b>		<b>125 748 004</b>	<b>123 593 211</b>
<b>Expenses</b>			
Employee related cost	17	23 945 237	22 515 681
Remuneration of councillors	18	9 241 574	8 604 101
Impairment of Assets	19	3 730 056	347 718
Grants and subsidies paid	20	1 448 018	1 990 903
Depreciation and amortisation	21	41 963 012	39 496 016
Finance Costs	22	283 818	561 653
Repairs and maintenance		1 849 792	2 533 571
General Expenses	23	43 335 972	42 898 060
Contracted services	24	26 370 834	10 080 659
<b>Total expenses</b>		<b>152 168 313</b>	<b>129 028 361</b>
Gain / (loss) on sale of assets	25	9 613	(297 019)
Gain / (loss) on fair value adjustments		364 000	(863 648)
<b>Surplus / (deficit) for the period</b>		<b>(26 046 696)</b>	<b>(6 595 817)</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
as at 30 June 2015

	<b>Note</b>	<b>Total Net Assets</b>
<b>Balance as previously reported at 30 June 2013</b>		318 965 898
Correction of Error	<b>27</b>	693 444 985
<b>Restated balance at 30 June 2013</b>		<b>1 012 410 885</b>
Correction of Error against accumulated surplus / (deficit) balance	<b>27</b>	6 014 456
Surplus / (deficit) for the period previously reported		24 128 318
Adjustments to surplus / (deficit) for the period	<b>27</b>	(30 724 135)
<b>Restated surplus / (deficit) for the period</b>		<b>(6 595 817)</b>
<b>Restated balance at 30 June 2014</b>		<b>1 011 829 525</b>
Surplus / (deficit) for the period		(26 046 696)
<b>Balance at 30 June 2015</b>		<b>985 782 827</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**CASH FLOW STATEMENT**  
as at 30 June 2015

	Note	2015 R	2014 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		136 306 607	88 722 036
Sales of goods and services		18 659 081	14 888 137
Grants		108 092 700	72 955 206
Interest received		1 843 835	1 865 683
Other receipts		7 710 991	(986 990)
Payments		97 174 219	76 275 565
Employee costs		21 830 789	31 082 316
Suppliers		75 059 611	42 640 693
Interest paid		283 818	561 653
Other payments		-	1 990 903
<b>Net cash flows from operating activities</b>	<b>26</b>	<b>39 132 388</b>	<b>12 446 471</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(39 595 605)	(40 853 971)
Purchase of intangible assets	<b>6</b>	(59 649)	(90 274)
Proceeds from sale of fixed assets		16 317	1 274 495
<b>Net cash flows from investing activities</b>		<b>(39 638 937)</b>	<b>(39 669 750)</b>
<b>Net increase / (decrease) in net cash and cash equivalents</b>		<b>(506 549)</b>	<b>(27 223 278)</b>
<b>Net cash and cash equivalents at beginning of period</b>		<b>26 602 778</b>	<b>53 826 056</b>
<b>Net cash and cash equivalents at end of period</b>	<b>1</b>	<b>26 096 229</b>	<b>26 602 778</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY STATEMENT OF  
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) for the year  
ended 30 June 2015**

	Actual	Adjustments	Variance	Variance	Explanation of significant variances greater than 10% versus budget
	R	Budget	Over/(Underspent)	%	
	R	R	R	%	
<b>REVENUE</b>					
Property Rates	9 547 738	9 804 000	(256 262)	-3%	<i>No explanation required</i>
Property rates - penalties imposed and collection charges	-	-	-	0%	<i>No explanation required</i>
Rental of facilities and equipment	852 383	1 250 000	(397 617)	-32%	<i>The decrease is due to the error identified on Wesmark and Telkom that was budgeted for but reversed at year-end.</i>
Interest earned	1 843 835	1 100 000	743 835	68%	<i>No withdrawals were made from any investment accounts, therefore the interest collected was higher during the year under review</i>
Government grants and subsidies	112 930 968	91 589 000	21 341 968	23%	<i>Conditional grants received were spent on applicable projects, furthermore there were also an increase in completed projects during the year, resulting in additional revenue being recognised</i>
Other income	573 079	630 000	(56 921)	-9%	<i>No explanation required</i>
<b>EXPENDITURE</b>					
Employee related cost	23 945 237	27 204 951	(3 259 714)	-12%	<i>The result is due to the staff resignations during 2014-15 financial year.</i>
Remuneration of councillors	9 241 574	9 113 624	127 950	1%	<i>No explanation required</i>
Impairment of Assets	3 730 056	2 836 000	894 056	32%	<i>There was a completeness issue as well as incorrect unit rates applied in the prior year, a total review of the values of the assets took place.</i>
Depreciation and amortisation	41 963 012	21 800 000	20 163 012	92%	<i>There was a completeness issue as well as incorrect unit rates applied in the prior year, a total review of the values of the assets took place.</i>
Grants and subsidies paid	1 448 018	1 350 000	98 018	7%	<i>No explanation required</i>
Finance Costs	283 818	125 000	158 818	127%	<i>Resulting from the late payment of creditors caused by post office strike and non delivery of invoices</i>
Repairs and maintenance	1 849 792	1 580 000	269 792	17%	<i>This is a result of unforeseen damages done to building, e.g. Morokweng Library roof damage due to strong wind, and the increase in servicing and repairs of municipal vehicles.</i>
Contracted services	26 370 834	24 380 000	1 990 834	8%	<i>The result is due to contracted services appointed during 2013-14 and paid for during 2014-15 financial year.</i>
General Expenses	43 335 972	40 747 433	2 588 539	6%	<i>No explanation required</i>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**STATEMENT OF ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)**  
**for the year ended 30 June 2015**

Actual	Adjustments Budget	Variance Over/(Underspent)	Variance	Explanation of significant variances greater than 10% versus budget
R	R	R	%	

Office of the Mayor	164 806		164 806	0%	
Office of the Speaker	15 974		15 974	0%	
Office of the Municipal Manager	143 662		143 662	0%	<i>Budgeted figures for all capital acquisitions resides with Corporate Services Department. The decrease is a result of Fleet and ICT Infrastructure related assets not procured during 2014-15</i>
Office of Budget & Treasury	312 882		312 882	0%	
Office of Corporate Services	69 466	2 800 000	(2 730 534)	-98%	<i>financial year.</i>
Office of Community Services	272 503		272 503	0%	
Office of Technical Services	46 432 901	47 100 000	(667 099)	-1%	<i>No explanation required</i>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION**  
**for the year ended 30 June 2015**

Description	Original Budget	Budget Adjustments (i.t.o. s28 & s31 Of The MFMA)	Virement (i.t.o. Council Approved By- law)	Final Budget	Actual Income	Unauthorised Expenditure	Variance	Actual Income As % Of Final Budget	Actual Outcome As % Of Original Budget
	1	2	3	4	5	6	7	8	9
	R	R	R	R	R	R	R	%	%
<b>Financial Performance</b>									
Property Rates	7 064 000	9 804 000	-	9 804 000	9 547 738		-256 262	97	135
Rental of facilities and equipment	1 250 000	1 250 000	-	1 250 000	852 383		-397 617	68	68
Interest earned	1 100 000	1 100 000	-	1 100 000	1 843 835		743 835	168	168
Government grants and subsidies	91 589 000	91 589 000	-	91 589 000	112 930 968		21 341 968	123	123
Other income	4 780 000	630 000	-	630 000	573 079		-56 921	91	12
<b>Total Revenue</b>	<b>105 783 000</b>	<b>104 373 000</b>	<b>-</b>	<b>104 373 000</b>	<b>125 748 004</b>	<b>-</b>	<b>21 375 004</b>	<b>547</b>	<b>506</b>
Employee Costs	27 204 951	27 204 951	-	27 204 951	23 945 237		-3 259 714	88	88
Remuneration Of Councillors	9 241 574	9 113 624	-	9 113 624	9 241 574		127 950	101	100
Debt Impairment	2 836 000	2 836 000	-	2 836 000	2 016 229		-819 771	71	71
Depreciation & Asset Impairment	21 800 000	21 800 000	-	21 800 000	41 963 012		20 163 012	192	192
Grants and subsidies paid	1 350 000	1 350 000	-	1 350 000	1 444 971		94 971	107	107
Finance Charges	125 000	125 000	-	125 000	302 376		177 376	242	242
Repairs and Maintenance	1 580 000	1 580 000	-	1 580 000	1 827 546		247 546	116	116
Contracted services	7 380 000	24 380 000	-	24 380 000	26 881 035		2 501 035	110	364
General Expenditures	36 747 433	40 747 433	-	40 747 433	44 206 068		3 458 635	108	120
<b>Total Expenditure</b>	<b>108 264 958</b>	<b>129 137 008</b>	<b>-</b>	<b>129 137 008</b>	<b>151 828 049</b>	<b>-</b>	<b>22 691 041</b>	<b>1 136</b>	<b>1 401</b>
<b>Surplus/(Deficit For The Year</b>	<b>-2 481 958</b>	<b>-24 764 008</b>	<b>-</b>	<b>-24 764 008</b>	<b>-26 080 045</b>	<b>-</b>	<b>-1 316 037</b>	<b>-589</b>	<b>-894</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
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**1 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Cash at bank	2 166 699	3 889 624
Short-term Investments	23 929 528	22 713 154
	<b>26 096 227</b>	<b>26 602 778</b>

**Cash at bank**

The Municipality has the following bank accounts: -

**Current Account (Primary Bank Account) - ABSA Acc nr: 407801332**

Cash book balance at beginning of year	3 889 624	17 714 001
Cash book balance at end of year	<b>2 166 699</b>	<b>3 889 624</b>
Bank statement balance at beginning of year	3 896 074	17 714 001
Bank statement balance at end of year	<b>2 166 699</b>	<b>3 896 074</b>

**SHORT-TERM DEPOSITS**

**Bank & Cashbook Balance**

MIG (KLM) (Nedbank - 037881083)	-	(670 489)
MIG (KMLM) - (FNB 62360911202)	21 751 610	20 646 078
FMG (KLML) (62371561062)	2 176 431	2 065 589
MIG Projects	1 487	1 487
	<b>23 929 528</b>	<b>22 713 154</b>

**as at 30 June 2013**

**SHORT-TERM DEPOSITS**

**Bank & Cashbook Balance**

Wild Silk (KLM) (STD - 04 854 815)	1 968 582
FMG (KMLM) (ABSA 4078221060))	761 479
MIG (KMLM)	3 043 828
MSIG (KMLM) (FNB 62360911533)	830 318
MIG (KMLM) - (FNB 62360911202)	23 298 046
Expanding Public works (KMLM) (FNB 62373655673))	720 780
MSIG (KMLM) (62380253501)	1 293 966
FMG (KLML) (62371561062)	3 112 819
Low Cost Housing 1600	6 391
Carports (KLM) (STD 04 854 7808)	100
FMG (KLM) (STD 04 854 5236)	1 078 115
Morokweng Library (STD 04 854 5228)	4 081
	<b>36 118 505</b>

**Total cash and cash equivalents**

<b>26 096 227</b>	<b>26 602 778</b>
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*No financial assets have been pledged as collateral for liabilities*

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

2 TRADE RECEIVABLES	Gross Balances	Provision for Impairment	Net Balance
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**2.1 TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

**as at 30 June 2015**

Rates and Taxes	6 690 496	(6 213 049)	477 447
<b>Total</b>	<b>6 690 496</b>	<b>(6 213 049)</b>	<b>477 447</b>

**as at 30 June 2014**

Rates and Taxes	16 050 041	(4 357 155)	11 692 886
<b>Total</b>	<b>16 050 041</b>	<b>(4 357 154)</b>	<b>11 692 887</b>

**as at 30 June 2015**

**Rates and Taxes**

Current (0 – 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
+ 91 Days	6 690 496	(6 213 049)	477 447
<b>Total</b>	<b>6 690 496</b>	<b>(6 213 049)</b>	<b>477 447</b>

**2.2 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**as at 30 June 2015**

Rental Receivables	1 374 859	(551 754)	823 105
<b>Total</b>	<b>1 374 859</b>	<b>(551 754)</b>	<b>823 105</b>

**as at 30 June 2014**

Rental Receivables	1 126 656	(391 419)	735 237
<b>Total</b>	<b>1 126 656</b>	<b>(391 419)</b>	<b>735 237</b>

**Rental Receivables**

Current (0 – 30 days)	73 445	(27 804)	45 641
31 - 60 Days	60 340	(23 337)	37 003
61 - 90 Days	58 360	(22 397)	35 962
+ 91 Days	1 182 714	(478 216)	704 499
<b>Total</b>	<b>1 374 859</b>	<b>(551 754)</b>	<b>823 105</b>

**Summary of Debtors by Customer Classification**

**as at 30 June 2015**

**Rental Receivables**

Current (0 – 30 days)	73 445
31 - 60 Days	60 340
61 - 90 Days	58 360
+ 91 Days	1 182 714
Sub-total	1 374 859
Less: Impairment for doubtful debts	(551 754)
<b>Total trade receivables by customer classification</b>	<b>823 105</b>



**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Summary of Debtors by Customer Classification  
as at 30 June 2015**

	Residential	Commercial	State	Farms and small holdings
<b>Rates and Taxes</b>				
Current (0 – 30 days)	-	-	-	-
31 - 60 Days	-	-	-	-
61 - 90 Days	-	-	-	-
+ 91 Days	85 911	5 245 152	454 588	904 844
Sub-total	85 911	5 245 152	454 588	904 844
Less: Impairment for doubtful debts	(85 911)	(5 230 799)	-	(896 338)
<b>Total trade receivables by customer classification</b>	<b>-</b>	<b>14 353</b>	<b>454 588</b>	<b>8 506</b>

**Summary of Debtors by Customer Classification  
as at 30 June 2014**

**Rental Receivables**

Current (0 – 30 days)	120 168
31 - 60 Days	118 803
61 - 90 Days	117 669
+ 91 Days	770 016
Sub-total	1 126 656
Less: Impairment for doubtful debts	(391 419)
<b>Total trade receivables by customer classification</b>	<b>735 237</b>

	Residential	Commercial	State	Farms and small holdings
<b>Rates and Taxes</b>				
Current (0 – 30 days)				
31 - 60 Days				
61 - 90 Days				
+ 91 Days	4 785	4 431 984	10 933 377	679 896
Sub-total	4 785	4 431 984	10 933 377	679 896
Less: Impairment for doubtful debts	(4 785)	(4 274 331)	-	(78 039)
<b>Total trade receivables by customer classification</b>	<b>-</b>	<b>157 653</b>	<b>10 933 377</b>	<b>601 857</b>

**Reconciliation of the impairment of trade and other receivables**

Balance at beginning of the year	(4 748 573)	(4 400 855)
Contributions to impairment	(2 016 230)	(355 344)
Doubtful debts written off against impairment	-	-
Reversal of impairment	-	7 626
<b>Balance at end of year</b>	<b>(6 764 803)</b>	<b>(4 748 573)</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

	<b>Note</b>	<b>2015</b> <b>R</b>	<b>2014</b> <b>R</b>
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**Trade receivables past due but not impaired**

Trade receivables which are less than 3 months past due are normally not considered to be impaired.  
At 30 June 2015 the following were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

- 1 month past due	37 003
- 2 months past due	35 962
- 3 months past due	5 949 651
	<b>6 022 616</b>

**Trade receivables impaired**

As of 30 June 2015, the provision for the impairment of trade and other receivables of R6 764 803 (30 June 2014: R4 748 574) were impaired and provided for.

The amount of the contribution to the provision was R2 843 695 (30 June 2014: R0).

The ageing of these receivables is as follows:

- Over 3 months	7 873 210
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The fair value of trade and other receivables approximates their carrying amounts.

**Collateral**

None of these financial assets were pledged as collateral for liabilities or contingent liabilities.

**OTHER RECEIVABLES FROM NON-EXCHANGE**

**3 TRANSACTIONS**

Other receivables	233 801	677 740
Prepayments	277 873	518 307
<b>Total Other Debtors</b>	<b>511 674</b>	<b>1 196 047</b>

**4 VAT RECEIVABLE**

VAT receivable	10 831 557	16 432 713
<b>Total VAT Receivable</b>	<b>10 831 557</b>	<b>16 432 713</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**5 PROPERTY, PLANT AND EQUIPMENT**

**5.1 Reconciliation of Carrying Value at 1 July 2014**

Cost  
Under Construction/WIP  
Accumulated depreciation and impairment losses

Acquisitions  
Capital under Construction - Capitalised  
Capital under Construction  
Other Movements  
Depreciation

Carrying value of disposals

Cost/Revaluation

Accumulated depreciation and impairment losses

Impairment loss/Reversal of impairment loss  
Transfers

**as at 30 June 2015**

Cost

Under Construction/WIP

Accumulated depreciation and impairment losses

Land	Buildings	Infrastructure	Community Assets	Other Assets	Total
R	R	R	R	R	R
<b>846 688</b>	<b>29 256 554</b>	<b>767 662 298</b>	<b>131 082 512</b>	<b>18 519 543</b>	<b>947 367 595</b>
846 688	36 054 765	935 937 932	140 294 850	23 175 208	1 136 309 443
		19 285 511	19 043 205		38 328 716
-	(6 798 211)	(187 561 145)	(28 255 543)	(4 655 666)	(227 270 564)
-	82 050	19 452 880	25 492 122	2 385 142	47 412 194
-	-	(17 650 264)	(25 404 330)	-	(43 054 595)
-	-	8 799 546	26 438 460	-	35 238 006
-	-	-	-	-	-
-	(1 209 871)	(32 432 737)	(4 869 201)	(3 417 091)	(41 928 899)
-	-	-	-	<b>(6 704)</b>	<b>(6 704)</b>
-	-	-	-	(8 233)	(8 233)
-	-	-	-	1 530	1 530
-	-	-	-	(1 713 827)	-
-	-	-	-	-	-
<b>846 688</b>	<b>28 128 733</b>	<b>745 831 723</b>	<b>152 739 563</b>	<b>15 767 064</b>	<b>943 313 771</b>
846 688	36 136 815	955 390 811	165 786 973	23 838 290	1 181 999 577
-	-	10 434 793	20 077 334	-	30 512 127
-	(8 008 082)	(219 993 882)	(33 124 744)	(8 071 227)	(269 197 934)

Property, plant and equipment has not been pledged as security or collateral.

Refer to APPENDIX A for more detail on property, plant and equipment

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

	Land R	Buildings R	Infrastructure R	Community R	Other Assets R	Total R
<b>5.2 Reconciliation of Carrying Value</b>						
<b>as at 1 July 2013</b>	<b>846 688</b>	<b>30 458 380</b>	<b>779 195 230</b>	<b>119 511 344</b>	<b>16 932 398</b>	<b>946 944 040</b>
Cost	846 688	36 054 765	899 057 906	127 486 360	20 949 571	1 084 395 290
Under Construction/WIP	-	-	36 328 723	16 030 982	-	52 359 705
Accumulated depreciation and impairment losses	-	(5 596 385)	(156 191 399)	(24 005 997)	(4 017 173)	(189 810 954)
Acquisitions	-	-	36 880 026	12 808 490	5 728 696	55 417 212
Capital under Construction - Capitalised	-	-	(36 880 026)	(12 808 490)	-	(49 688 516)
Capital under Construction	-	-	19 836 814	15 820 713	-	35 657 528
Other Movements	-	-	-	-	(389 932)	(389 932)
Depreciation	-	(1 201 826)	(31 369 746)	(4 249 545)	(2 570 036)	(39 391 153)
Carrying value of disposals	-	-	-	-	<b>(1 181 583)</b>	<b>(1 181 583)</b>
Cost/Revaluation	-	-	-	-	(3 113 126)	(3 113 126)
Accumulated depreciation and impairment losses	-	-	-	-	1 931 544	1 931 544
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>as at 30 June 2014</b>	<b>846 688</b>	<b>29 256 554</b>	<b>767 662 299</b>	<b>131 082 512</b>	<b>18 519 543</b>	<b>947 367 596</b>
Cost	846 688	36 054 765	935 937 932	140 294 850	23 175 208	1 136 309 443
Under Construction/WIP	-	-	19 285 511	19 043 205	-	38 328 716
Accumulated depreciation and impairment losses	-	(6 798 211)	(187 561 145)	(28 255 543)	(4 655 666)	(227 270 564)

Property, plant and equipment has not been pledged as security or collateral.

Refer to APPENDIX A for more detail on property, plant and equipment

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS for**  
**the year ended 30 June 2015**

**6 INTANGIBLE ASSETS**

**Computer Software**

**Reconciliation of carrying value  
as at 30 June 2014**

Cost	80 191	-
Accumulated amortisation and impairment losses	90 274	-
	(10 083)	-

Acquisitions	59 649	90 274
Amortisation	(34 113)	(10 083)

**as at 30 June 2015**

	<b>105 727</b>	<b>80 191</b>
Cost	149 923	90 274
Accumulated amortisation and impairment losses	(44 196)	(10 083)

**7 INVESTMENT PROPERTY CARRIED AT FAIR VALUE**

**7.1 Reconciliation of fair value**

<b>Opening Balance</b>	<b>41 229 000</b>	<b>40 929 000</b>
Cost	41 229 000	40 929 000
Fair value adjustment	364 000	300 000
<b>Closing Balance</b>	<b>41 593 000</b>	<b>41 229 000</b>

**7.2 The Investment property has not been pledged as security.**

**7.3 Details of investment properties**

*The effective date of the revaluations was 30 June 2015. Revaluations were performed by an independent valuer, Ms Tanya Botha registered with the South African Council for the Property Valuers Profession (SACPVP) and South African Institute of Valuers (SAIV) as Professional Valuer in terms of the Property Valuers Profession Act, 2000 (Act no.47 of 2000), of DDP Valuers (Pty) Ltd. Ms Tanya Botha is not connected to the entity and have recent experience in location and category of the investment property being valued.*

*The valuation was based on open market value for existing use. For investment property, totalling R 3 414 000, where there was a lack of comparable market data, the valuation was based cost replacement method and indirect comparison method. All these methods are acceptable valuation methods.*

<b>7.4 Amounts recognised in surplus or deficit for the year</b>	<b>477 047</b>	<b>427 858</b>
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**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
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**8 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Creditors and Accruals	2 738 843	7 010 934
Retentions	5 290 164	3 630 440
Staff Leave Accrual	2 888 071	2 834 899
Bonus Accrual	378 351	423 153
Other creditors	2 708 540	2 159 540
<b>Total creditors</b>	<b>14 003 970</b>	<b>16 058 965</b>

The fair value of trade and other payables approximates their carrying amounts.

The movement on the staff leave is reconciled as follows:

Opening Balance	2 834 899	1 871 526
Expenditure Incurred	(498 726)	(148 510)
Contributions	551 898	1 111 883
Closing Balance	<b>2 888 071</b>	<b>2 834 899</b>

The movement for on the bonus accrual is reconciled as follows:

Opening Balance	423 153	357 809
Expenditure Incurred	(801 428)	(668 468)
Contributions	756 627	733 812
Closing Balance	<b>378 351</b>	<b>423 153</b>

**9 CURRENT PROVISIONS**

Current portion of Legal Claim	440 000	440 000
Current Portion: Maintenance of Illegal Dumping Site	21 839 799	10 533 126
<b>Total Provisions</b>	<b>22 279 799</b>	<b>10 973 126</b>

*The movement in provisions are reconciled as follows:*

**LEGAL CLAIM**

<b>Opening Balance</b>	-	-
Contributions to provision	440 000	440 000
Expenditure incurred	-	-
Transfer to current provisions	(440 000)	(440 000)
<b>Closing Balance (Non-current)</b>	<b>-</b>	<b>-</b>

**11**

**Key Assumptions**

The timing for the possible outflow of resources for the provision for legal claim cost could not be determined at the date of the financial statements.

The following key assumptions were made to arrive at the amount disclosed as a possible future obligation:

- The cost estimate is based on the 2013-14 attorneys calculations of the possible future obligation.
- The rates used to determine the legal claim cost are based on current or recent cases undertaken in similar circumstances within the law profession.

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

	<b>Note</b>	<b>2015 R</b>	<b>2014 R</b>
<b>MAINTENANCE OF ILLEGAL DUMPING SITE</b>			
<b>Opening Balance</b>		-	-
Contributions to provision		11 306 673	10 533 126
Expenditure incurred		-	-
Transfer to current provisions		(11 306 673)	(10 533 126)
<b>Closing Balance (Non-current)</b>	<b>11</b>	-	-

**Key Assumptions**

The timing for the possible outflow of resources for the maintenance and rehabilitation of the illegal dumping site could not be determined at the date of the financial statements.

The following key assumptions were made to arrive at the amount disclosed as a possible future obligation:

- The cost estimate is based on 25% Preliminary and General (P&G) and a 10% contingency of the construction amount for unforeseen items.
- Included in the amount is a part time Civil Engineer as a site supervisor, a part time Occupational Health and Safety Officer and an Environment Control Officer to ensure that the site is closed in a safe manner and in terms of the OHS Act, the license and the Environmental Management Program.
- The rates used to determine the construction amount (cost) are based on current or recent constructs undertaken in similar circumstances in the local area.

Based on the key assumptions an estimated amount was calculated. The estimated value will need to be escalated by the local CPI for the number of years after the base date of 30 June 2015 when the construction project is actually undertaken

*Refer to note 11 for Non-Current Portion and Key Assumptions on Long-Service Awards*

**11**

**10 CURRENT PORTION OF UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

**10.1 Unspent Conditional Grants from other spheres of Government**

MIG Grant	<b>13.2</b>	-	4 848 221
DSAC - Libraries	<b>13.3</b>	880 425	927 173
FMG Grant	<b>13.4</b>	-	-
EPWP Grant	<b>13.6</b>	-	-
LGSeta	<b>13.7</b>	56 906	206
<b>Total Unspent Conditional Grants and Receipts</b>		<b>937 332</b>	<b>5 775 600</b>
<b>Non-current unspent conditional grants and receipts</b>		-	-
<b>Current portion of unspent conditional grants and receipts</b>		<b>937 332</b>	<b>5 775 600</b>

*See Note 13 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.*

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
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**11 LONG SERVICE AWARD LIABILITY**

Current portion		50 466	37 466
Non-current portion		698 115	661 766
<b>Total</b>		<b>698 115</b>	<b>661 766</b>

*The movement in the long service award liability is reconciled as follows:*

**NON-CURRENT PORTION**

<b>Opening Balance</b>		661 766	556 672
Contributions to long service award liability		75 325	165 340
Expenditure incurred		(25 977)	(22 779)
Transfer to current long service award liability	9	(13 000)	(37 467)
<b>Closing Balance</b>		<b>698 115</b>	<b>661 766</b>

**Key Assumptions**

**Long service award liability**

**Financial Assumptions:** It is difficult to estimate future investment returns and salary inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP19 requires that financial assumptions be based on market expectations at the valuation date for the period over which the liability obligations are to be settled.

**Discount Rate:** The discount rate required by GRAP19 should be set with reference to a high quality corporate bond. In countries where there is no deep market in such bonds, the market yield on government bonds should be used. A greater emphasis is placed on the duration of the liabilities when determining the discount rate as per the revised GRAP 19 requirements. With this in mind, we have set the discount rate by using the "best fit" discount rate at 30 June 2015 which we have based on the yields from the zero coupon government bond curve. The best fit has been determined taking into account the cash-flow weighted duration of the liabilities, which is approximately 9 years. The recommended discount rate of 8.61% (R699 233) for the 2013-14 financial year decreased by 0.26% to 8,35% (R748 581) in the 2014-15 financial year.

**General Salary Increase:** This assumption is more stable relative to the growth in Consumer Price Inflation (CPI) than in absolute terms. In most industries, experience has shown, that over the long-term, salary inflation is between 1.25% and 1.5% above CPI inflation. We assessed the general salary increases over the last 3 years and thus a general average salary inflation rate of 7.04% per annum. It has been assumed that the next salary increase will take place in 1 July 2015

**Average Retirement Age:** The Municipality has a normal retirement age of 65. It has been assumed that all in-service members will retire at age 63, which makes an allowance for expected rates of early and ill-health retirement.



**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
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**REVENUE** **12-16**

The amount included in revenue arising from exchange of transactions are as follows:

Rental of facilities and equipment	<b>14</b>	852 383	691 177
Income from agency services			
Other income - (rollup)	<b>16</b>	573 079	161 239
Interest received - investment	<b>15</b>	1 843 835	1 865 683
		<b>3 269 297</b>	<b>2 718 099</b>

The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>			
Property rates	<b>12</b>	9 547 738	6 692 201
<b>Transfer revenue</b>			
Government grants & subsidies	<b>13</b>	112 930 968	114 182 911
		<b>122 478 707</b>	<b>120 875 112</b>

Detailed notes on the various revenue streams are set out below:

**12 PROPERTY RATES**

<b>Actual</b>			
Residential		201 828	2 580
Commercial		13 200	2 493 993
State		8 201 730	457 001
Farms and small holdings		7 540 878	4 708 800
Less: Rebates		(6 409 899)	(970 172)
<b>Total property rates</b>		<b>9 547 738</b>	<b>6 692 201</b>
Property rates - penalties imposed and collection charges		-	-
<b>Total</b>		<b>9 547 738</b>	<b>6 692 201</b>

<b>Valuations</b>			
Residential		13 792 000	430 000
Commercial		3 993 637 111	1 510 731 600
State		279 684 000	156 960 000
Small holdings and farms		1 042 377 500	305 017 000
<b>Total Property Valuations</b>		<b>5 329 490 611</b>	<b>1 973 138 600</b>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2014. Supplementary valuations are processed on a yearly basis to take into account changes in individual property values due to alterations.

Rate tariffs are applied to properties as per property classification/category to determine assessment rates. Rebates of 85% are granted to farm property owners. Rates are levied on an annual basis on property owners.

Rates are levied on an annual basis with the final date of payment being the end of each financial year. Rates will be subject to a discount of 5% if paid on or before 30 September of each year.

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
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**13 GOVERNMENT GRANTS AND SUBSIDIES**

Equitable Share	<b>13.1</b>	83 391 000	69 916 000
MIG Grant	<b>13.2</b>	24 395 221	37 407 450
DSAC - Libraries	<b>13.3</b>	626 748	470 510
FMG Grant	<b>13.4</b>	2 588 000	3 244 955
MSIG Grant	<b>13.5</b>	930 000	1 018 996
EPWP Grant	<b>13.6</b>	1 000 000	2 125 000
LGSeta	<b>13.7</b>	-	-
<b>Total Government Grant and Subsidies</b>		<b>112 930 968</b>	<b>114 182 911</b>

**13.1 Equitable Share**

*This grant is used to fund the operations of the municipality in accordance with the approved MTREF budget.*

<b>83 391 000</b>	<b>69 916 000</b>

**13.2 MIG Grant**

<b>Balance unspent at beginning of year</b>	4 848 222	43 809 672
Current year receipts	19 547 000	28 346 000
Conditions met - transferred to revenue	(24 395 221)	(37 407 450)
Previous year unspent not surrendered	-	(29 900 000)
<b>Conditions still to be met - remain liabilities (see note 10)</b>	<b>-</b>	<b>4 848 222</b>

*The grant was used to fund infrastructure related projects (mainly as part of the service delivery). Capitalised projects funded by this grant are included in property, plant & equipment whilst the unspent portion of the grant is included in current liabilities.*

**13.3 DSAC - Libraries**

<b>Balance unspent at beginning of year</b>	927 173	817 683
Current year receipts	580 000	580 000
Conditions met - transferred to revenue	(626 748)	(470 510)
<b>Conditions still to be met - remain liabilities (see note 10)</b>	<b>880 425</b>	<b>927 173</b>

*This grant is mainly used in assisting the municipality with services offered at public libraries. The services covers capacitating the municipality with human capital and computer hardware/software.*

**13.4 FMG Grant**

<b>Balance unspent at beginning of year</b>	-	2 246 955
Current year receipts	2 588 000	2 598 000
Conditions met - transferred to revenue	(2 588 000)	(3 244 955)
Previous year unspent not surrendered	-	(1 600 000)
<b>Conditions still to be met - remain liabilities (see note 10)</b>	<b>-</b>	<b>-</b>

*The grant is mainly used for promoting and supporting reforms in financial management by building capacity in the municipality to implement the MFMA and progressive financial reporting.*

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
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**13.5 MSIG Grant**

Balance unspent at beginning of year	-	128 996
Current year receipts	930 000	890 000
Conditions met - transferred to revenue	(930 000)	(1 018 996)
<b>Conditions still to be met - remain liabilities (see note 10)</b>	<b>-</b>	<b>-</b>

*The grant is meant to assist the municipality to build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation, policies and the local government turnaround strategy*

**13.6 EPWP Grant**

Balance unspent at beginning of year	-	-
Current year receipts	1 000 000	2 125 000
Conditions met - transferred to revenue	(1 000 000)	(2 125 000)
<b>Conditions still to be met - remain liabilities (see note 10)</b>	<b>-</b>	<b>-</b>

*The grant was used by municipality to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme Guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries; and sustainable land based livelihoods.*

**13.7 LGSeta**

Balance unspent at beginning of year	206	(1 664)
Current year receipts	56 700	1 871
Conditions met - transferred to revenue	-	-
<b>Conditions still to be met - remain liabilities (see note 10)</b>	<b>56 906</b>	<b>206</b>

*This grant is used for skills development within KMLM*

**14 RENTAL OF FACILITIES AND EQUIPMENT**

Rental of facilities and equipment	852 383	691 177
<b>Total rentals</b>	<b>852 383</b>	<b>691 177</b>

**15 INTEREST EARNED**

External Investments	1 843 835	1 865 683
<b>Total interest</b>	<b>1 843 835</b>	<b>1 865 683</b>

**16 OTHER INCOME**

Other Income	573 079	161 239
	<b>573 079</b>	<b>161 239</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
<b>17 EMPLOYEE RELATED COST</b>			
Employee related costs - Salaries and Wages		14 769 484	13 137 579
Employee related costs - Contributions for UIF, pensions and medical aids		3 495 323	3 371 483
Travel, motor car, accommodation, subsistence and other allowances		3 970 442	3 735 491
Housing benefits and allowances		216 449	260 094
Performance and other bonuses		756 627	1 542 529
Long-service awards	11	75 325	165 340
Other employee related costs		661 587	303 166
<b>Total Employee Related Costs</b>		<b>23 945 237</b>	<b>22 515 681</b>
<i>Included in above summary of Employee Related Costs is the following:</i>			
<b>17.1 REMUNERATION OF THE MUNICIPAL MANAGER</b>			
Annual Remuneration		1 191 619	1 306 091
Performance- and other bonuses		-	-
Travel, Motor Vehicle, Accommodation, Subsistence and other allowances		192 000	135 020
Contributions to UIF, pension and medical aid		96 196	89 291
<b>Total</b>		<b>1 479 815</b>	<b>1 530 403</b>
<b>17.2 REMUNERATION OF THE CHIEF FINANCE OFFICER (ACTING)</b>			
Annual Remuneration		196 742	148 343
Performance- and other bonuses		13 623	12 757
Travel, Motor Vehicle, Accommodation, Subsistence and other allowances		444 274	423 906
Contributions to UIF, pension and medical aid		48 565	44 922
<b>Total</b>		<b>703 203</b>	<b>629 928</b>
<b>17.3 REMUNERATION OF CORPORATE SERVICES DIRECTOR</b>			
Annual Remuneration		579 049	542 796
Travel, Motor Vehicle, Accommodation, Subsistence and other allowances		138 338	179 129
Contributions to UIF, pension and medical aid		8 237	129 798
<b>Total</b>		<b>725 625</b>	<b>851 723</b>
<b>17.4 REMUNERATION OF COMMUNITY SERVICES DIRECTOR</b>			
Annual Remuneration		534 154	517 471
Travel, Motor Vehicle, Accommodation, Subsistence and other allowances		94 474	88 526
Contributions to UIF, pension and medical aid		121 920	122 359
<b>Total</b>		<b>884 786</b>	<b>728 357</b>
<b>17.5 REMUNERATION OF GOOD GOVERNANCE DIRECTOR (ACTING)</b>			
Annual Remuneration		183 780	141 101
Performance- and other bonuses		13 623	12 757
Travel, Motor Vehicle, Accommodation, Subsistence and other allowances		473 893	351 664
Contributions to UIF, pension and medical aid		48 831	44 591
<b>Total</b>		<b>720 126</b>	<b>550 112</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
<b>18 REMUNERATION OF COUNCILLORS</b>			
Executive Mayor		593 669	616 799
Acting Mayor		-	51 396
Speaker		577 216	534 020
Executive Committee Members		2 639 405	2 465 551
Councillors		2 819 551	2 610 042
Councillors' pension and medical aid contributions		500 931	644 095
Councillors' allowances		2 110 802	1 682 197
<b>Total Councillors' Remuneration</b>		<b>9 241 574</b>	<b>8 604 101</b>
<b>In-kind Benefits</b>			
<i>The Mayor, Speaker and Mayoral Committee Members are full-time employees. Each is provided with an office and secretarial support at the cost of the Council.</i>			
<i>The Mayor has use of the Council owned vehicle with two full time drivers for official duties.</i>			
<b>19 IMPAIRMENT OF ASSETS</b>			
<i>The movement in bad debts are set out below:</i>			
Increase in provision of impairment of receivables	<b>2</b>	2 016 229	347 718
Impairment of property, plant and equipment	<b>5</b>	1 713 827	-
		<b>3 730 056</b>	<b>347 718</b>
<b>20 GRANTS AND SUBSIDIES PAID</b>			
Bray Bakery		79 283	-
Community Works Programme		-	165 054
Wild Silk Africa Plant		-	63 711
Crafts Development Project		305 822	197 746
Ecocircle garden system		74 414	-
Goat Breeding Project		291 974	644 518
Heritage programmes		150 443	476 374
SMME Development		22 000	-
Nursery Development Project		110 939	57 067
Reratile Peace Project		226 990	53 179
Disaster Management		186 152	140 915
Mitigation and Global Warming		-	36 603
Woman Empowerment		-	155 737
<b>Total</b>		<b>1 448 018</b>	<b>1 990 903</b>
<b>21 DEPRECIATION AND AMORTISATION</b>			
Property, plant and equipment	<b>5</b>	41 928 899	39 485 933
Intangible Assets	<b>6</b>	34 113	10 083
<b>Total Depreciation and Amortisation</b>		<b>41 963 012</b>	<b>39 496 016</b>
<b>22 FINANCE COSTS</b>			
Creditors		283 818	561 653
<b>Total Finance Costs</b>		<b>283 818</b>	<b>561 653</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	Note	2015 R	2014 R
<b>23 GENERAL EXPENSES</b>			
Included in general expenses are the following:-			
Advertising		352 747	429 789
Audit fee		2 534 378	2 082 949
Bank charges		180 402	147 647
Books and publications		49 377	70 644
Bursaries		591 220	910 993
Community functions		2 000 943	2 164 214
Congresses and conferences		50 861	-
Disability Funds		68 149	3 912
Employee assistance and wellness		715 320	383 950
Entertainment - Councillors		36 106	22 928
Entertainment - Officials		19 254	26 864
Excellence Awards		246 004	-
Expanded Public Works Programme		2 698 914	3 482 671
Pauper Burials		277 589	90 883
General Expenses		801 590	1 424 700
Health Support Programmes		45 816	-
Insurance premiums		785 277	836 653
Internet charges		114	272 536
Legal expenses		691 372	1 012 288
Licenses and Permits		103 395	-
Maintenance of Illegal/Dumping Site		11 306 673	10 533 126
Mayoral inauguration		914 862	22 019
Mayoral Outreach Programmes		418 603	302 355
Membership fees : Societies		538 616	894 737
MME Development		12 600	-
Postage stamps and telegraphs		-	1 069
Printing and stationery		765 580	412 008
Promotion and marketing		631 576	1 048 643
Refreshments and meals		839 861	567 290
Rental : Equipment		1 016 645	1 218 267
Small tools and equipment		128 549	169 706
Software expenses		1 145 516	1 237 875
Sundry expenses		-	186 267
Telephone		639 697	595 168
Training and courses		1 393 089	1 318 998
Travel and subsistence : Councillors		1 042 218	327 389
Travel and subsistence : Officials		1 770 081	1 478 741
Uniforms and protective clothing		39 078	176 291
Vehicles : Fuel and oil		2 586 889	2 391 031
Vehicles : Licenses		15 006	16 066
Youth and Elderly Support Programmes		450 544	127 500
Water and Electricity		3 423 695	3 833 510
Ward Participation Support		1 984 222	2 215 866
Workmans compensation		23 547	460 518
<b>Total</b>		<b>43 335 972</b>	<b>42 898 060</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
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	Note	2015 R	2014 R
<b>24 CONTRACTED SERVICES</b>			
Accounting services		9 431 175	2 317 552
Assessment Rates		4 096 605	3 097 895
Fleet Management System		102 700	-
IT Services		4 626 257	425 288
Performance Management System		350 000	140 000
Risk Assessment		100 000	-
Security services		4 449 781	3 113 485
Valuation roll		-	986 439
VAT Recovery		3 214 316	-
		<b>26 370 834</b>	<b>10 080 659</b>
<b>25 GAIN / (LOSS) ON SALE OF ASSETS</b>			
Property, plant and equipment		9 613	(297 019)
<b>Total Gain / (Loss) on Sale of Assets</b>		<b>9 613</b>	<b>(297 019)</b>
<b>26 CASH GENERATED BY OPERATIONS</b>			
Surplus/(deficit) for the year		(26 046 696)	(6 595 817)
<i>Adjustment for:-</i>			
Depreciation and amortisation		41 963 012	39 496 016
(Gain)/Loss on sale of assets		(9 613)	297 019
Gain / (loss) on fair value adjustments		(364 000)	863 648
Impairment		3 730 056	347 718
Long service award liability		13 000	37 466
Increase/(decrease) in provisions		11 343 022	11 078 221
<b>Operating surplus before working capital changes:</b>		<b>30 628 781</b>	<b>45 524 271</b>
(Increase)/decrease in trade receivables		9 111 343	7 504 759
(Increase)/decrease in other receivables		684 373	(1 148 229)
(Increase)/decrease in VAT receivable		5 601 156	(7 551 852)
Increase/(decrease) in trade payables		(2 054 996)	9 345 228
Increase/(decrease) in conditional grants and receipts		(4 838 268)	(41 227 706)
<b>Cash generated by/(utilised in) operations</b>		<b>39 132 388</b>	<b>12 446 471</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		<b>R</b>	<b>R</b>
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**27 CORRECTION OF ERROR**

Adjustments were made to amounts previously reported in the annual financial statements of the municipality. Below is the impact of the "correction of error" adjustments on the Statement of Financial Position, Statement of Financial Performance and the Cash Flow Statement.

	Previous Disclosure R	Restated Disclosure R	Correction of Error
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	26 602 777	26 602 778	-
Trade receivables from non-exchange transactions	2 641 114	11 692 887	9 051 773
Other receivables from non-exchange transactions	5 074 636	1 196 047	(3 878 589)
VAT receivable	15 920 761	16 432 713	511 952
<b>Non-current assets</b>			
Property, plant and equipment	254 994 210	947 367 596	692 373 386
Intangible Assets	80 191	80 191	-
Investment Properties	70 754 373	41 229 000	(29 525 373)
<b>Total assets</b>	<b>376 068 062</b>	<b>1 045 336 448</b>	<b>669 268 386</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	15 407 352	16 058 965	651 613
Current provisions	10 992 506	10 973 126	(19 380)
Current portion of unspent conditional grants and receipts	5 773 919	5 775 600	1 681
<b>Non-current liabilities</b>			
Non-current provisions	800 068	661 766	(138 302)
<b>Total liabilities</b>	<b>32 973 844</b>	<b>33 506 924</b>	<b>533 079</b>
<b>Net assets</b>	<b>343 094 217</b>	<b>1 011 829 524</b>	<b>668 735 307</b>
<b>NET ASSETS</b>			
Accumulated surplus / (deficit)	343 094 217	1 011 829 525	668 735 308
<b>Total net assets</b>	<b>343 094 217</b>	<b>1 011 829 525</b>	<b>668 735 308</b>



**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		R	R
<b>CORRECTION OF ERROR</b>	<b>Previous Disclosure</b>	<b>Restated Disclosure</b>	<b>Correction of Error</b>
	<b>R</b>	<b>R</b>	
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>Revenue</b>			
Property Rates	6 692 201	6 692 201	-
Rental of facilities and equipment	863 184	691 177	(172 007)
Interest earned - External Investments	1 865 683	1 865 683	-
Government grants and subsidies	118 030 911	114 182 911	(3 848 000)
Other income	160 789	161 239	450
<b>Total revenue</b>	<b>127 612 769</b>	<b>123 593 211</b>	<b>(4 019 557)</b>
<b>Expenses</b>			
Employee related cost	21 804 960	22 515 681	710 721
Remuneration of councillors	8 604 101	8 604 101	-
Impairment of Assets	(7 626)	347 718	355 344
Depreciation and amortisation	14 484 713	39 496 016	25 011 303
Grants and subsidies paid	1 990 903	1 990 903	-
Finance Costs	204 246	561 653	357 407
Repairs and maintenance	2 522 555	2 533 571	11 016
Contracted services	10 031 804	10 080 659	48 855
General Expenses	42 388 128	42 898 060	509 932
<b>Total expenses</b>	<b>102 023 783</b>	<b>129 028 361</b>	<b>27 004 578</b>
Gain / (loss) on sale of assets			
Gain / (loss) on fair value adjustments	(1 163 648)	(863 648)	300 000
<b>Surplus / (deficit) for the period</b>	<b>24 128 318</b>	<b>(6 595 817)</b>	<b>(30 724 135)</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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		R	R
	Previous Disclosure R	Restated Disclosure R	Correction of Error
<b>CORRECTION OF ERROR</b>			
<b>CASH FLOW STATEMENT</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>	<b>81 046 226</b>	<b>88 722 036</b>	<b>7 675 810</b>
Sales of goods and services	13 860 524	14 888 137	1 027 613
Grants	76 801 524	72 955 206	(3 846 319)
Interest received	1 865 683	1 865 683	-
Other receipts	(11 481 505)	(986 990)	10 494 515
<b>Payments</b>	<b>68 798 505</b>	<b>76 275 565</b>	<b>7 477 060</b>
Employee costs	19 173 159	31 082 316	11 909 157
Suppliers	49 421 100	42 640 693	(6 780 407)
Interest paid	204 246	561 653	357 407
<b>Net cash flows from operating activities</b>	<b>12 247 721</b>	<b>12 446 471</b>	<b>198 751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	(40 560 441)	(40 853 971)	(293 530)
Purchase of intangible assets	(90 274)	(90 274)	-
Proceeds from sale of fixed assets	1 179 715	1 274 495	94 780
<b>Net cash flows from investing activities</b>	<b>(39 471 000)</b>	<b>(39 669 750)</b>	<b>(198 750)</b>
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in net cash and cash equivalents</b>	<b>(27 223 279)</b>	<b>(27 223 278)</b>	<b>1</b>
<b>Net cash and cash equivalents at beginning of period</b>	<b>53 826 056</b>	<b>53 826 056</b>	<b>-</b>
<b>Net cash and cash equivalents at end of period</b>	<b>26 602 777</b>	<b>26 602 778</b>	<b>1</b>

The detail on each individual error is set out below:

**27.1 Opening Balance on Trade Payables**

The 2014 trade payables were understated that caused certain expenditure items and an addition on property, plant and equipment to also be understated.

The comparative amount has been restated as follows:

	2013	2014
<u>Statement of Financial Position</u>		
Property, plant and equipment (Increase/(Decrease))		742 400
VAT Receivable (Increase/(Decrease))		66 108
Trade and Other Payables ((Increase)/Decrease)		(1 662 534)
Prepayments (Increase/(Decrease))		175 561
Net effect on Statement of Financial Position	-	(678 466)
<u>Statement of Financial Performance</u>		
General Expenses (Increase/(Decrease))		592 072
Contracted Services (Increase/(Decrease))		(9 297)
Repairs and Maintenance (Increase/(Decrease))		(12 972)
Employee Related Costs (Increase/(Decrease))		826 094
Interest Paid (Increase/(Decrease))		1 163
Net effect on Statement of Financial Performance	-	1 397 060
Net effect on Accumulated surplus opening balance	-	(718 594)

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**27.2 Dr Ruth S Mompoti Receivable**

The 2014 receivable of Dr Ruth Mompoti for EPWP Grant not received due to the discontinuation of the EPWP programme.

The comparative amount has been restated as follows:	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Current Portion of Unspent portion Conditional Grants (Increase)/Decrease</i>		-
<i>Other receivables from non-exchange transactions(Increase)/(Decrease))</i>		(375 000)
Net effect on Statement of Financial Position	-	(375 000)
<u>Statement of Financial Performance</u>		
<i>Government Grants and Subsidies ((Increase)/Decrease)</i>		375 000
Net effect on Statement of Financial Performance	-	(375 000)
Net effect on Accumulated surplus opening balance	-	-

**27.3 Equitable Share**

Equitable Share from 2014 that was recognised as receivable was not received by National Treasury.

The comparative amount has been restated as follows:	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Other receivables from non-exchange transactions(Increase)/(Decrease))</i>		(3 473 000)
Net effect on Statement of Financial Position	-	(3 473 000)
<u>Statement of Financial Performance</u>		
<i>Government Grants and Subsidies ((Increase)/Decrease)</i>		3 473 000
Net effect on Statement of Financial Performance	-	(3 473 000)
Net effect on Accumulated surplus opening balance	-	-

**27.4 Receivables**

Receipts were recorded as unallocated in the prior year, reallocated to the relevant line items in the financial statements

The comparative amount has been restated as follows:	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Other receivables from non-exchange transactions(Increase)/(Decrease))</i>		13 555
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		(13 555)
<i>Current Portion of Unspent Conditions Grants ((Increase)/Decrease)</i>		(1 682)
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		17 419
<i>Trade receivables from non-exchange transactions(Increase)/(Decrease))</i>		(15 288)
Net effect on Statement of Financial Position	-	450
<u>Statement of Financial Performance</u>		
<i>Other Income ((Increase)/Decrease)</i>		(450)
Net effect on Statement of Financial Performance	-	(450)
Net effect on Accumulated surplus opening balance	-	-

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**27.5 Retentions**

Retentions recognised in prior years were not correctly valued. This has now been corrected

The comparative amount has been restated as follows:

	2013	2014
<u>Statement of Financial Position</u>		
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		
Retentions	(1 478 730)	2 602 384
<i>Property, Plant and Equipment (Increase/(Decrease))</i>		
Halls	885 123	674 571
Community Buildings	-	-
Recreation Grounds	95 707	72 973
Roads	1 809 363	1 633 551
Electricity Network	27 374	127 313
VAT Receivable (Increase/(Decrease))	394 459	51 384
Net effect on Statement of Financial Position	1 733 297	5 162 177
Net effect on Accumulated surplus opening balance	(1 733 297)	(5 162 177)

**27.6 Leave Accrual**

The leave accrual was understated in 2014 due to the interns being left out and some days being incorrectly calculated

The comparative amount has been restated as follows:

	2013	2014
<u>Statement of Financial Position</u>		
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		(4 841)
Net effect on Statement of Financial Position	-	(4 841)
<u>Statement of Financial Performance</u>		
<i>Employee Related Costs (Increase/(Decrease))</i>		4 841
Net effect on Statement of Financial Performance	-	(4 841)
Net effect on Accumulated surplus opening balance	-	-

**27.7 Trade Receivables - Rates and Taxes**

The receivable on Public Works were not recognised for the financial years ending 30 June 2011, 30 June 2012 and 30 June 2013

The comparative amount has been restated as follows:

	2013	2014
<u>Statement of Financial Position</u>		
<i>Trade receivables from non-exchange transactions (Increase/(Decrease))</i>	10 478 790	
Net effect on Statement of Financial Position	10 478 790	-
Net effect on Accumulated surplus opening balance	(10 478 790)	-

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**27.8 Long-Service award liability**

The long-service award liability was incorrectly calculated in 2014

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Current Liabilities ((Increase)/Decrease)</i>		(18 087)
<i>Non-current liabilities ((Increase)/Decrease)</i>		138 302
Net effect on Statement of Financial Position	-	120 215
 <u>Statement of Financial Performance</u>		
<i>Employee Related Costs (Increase/(Decrease))</i>		(120 215)
Net effect on Statement of Financial Performance	-	120 215
Net effect on Accumulated surplus opening balance	-	-

**27.9 Property, Plant and Equipment**

Property, plant and equipment was incorrectly recognised in the prior years. The balances have now been corrected based on the adjusted fixed asset register.

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Property, plant and equipment (Increase/(Decrease))</i>		
<i>Land</i>	(6 035 176)	
<i>Servitudes</i>	(1 777 820)	
<i>Buildings</i>	26 404 771	(922 462)
<i>Taxi Ranks</i>	(111 067)	13 226
<i>Roads</i>	630 009 103	(26 296 474)
<i>Storm Water Network</i>	(415 385)	18 960
<i>Electricity Network</i>	3 887 924	(616 487)
<i>Parks &amp; Gardens</i>	(354 426)	(218 029)
<i>Libraries</i>	135 955	215 082
<i>Recreation Grounds</i>	(3 916 278)	1 468 562
<i>Halls</i>	36 393 335	1 473 438
<i>Community Buildings</i>	22 745 279	(1 004 586)
<i>Cemeteries</i>	362 250	-
<i>Office Equipment</i>	140 651	37 371
<i>Furniture &amp; Fittings</i>	3 426 221	(322 757)
<i>Machinery and Equipment</i>	(1 213 247)	305 241
<i>Official Vehicles</i>	(525 612)	1 101 214
<i>Computer Equipment</i>	639 738	234 630
<i>Other Assets</i>	1 143 413	(121 545)
Net effect on Statement of Financial Position	710 939 628	(24 634 617)
 <u>Statement of Financial Performance</u>		
<i>Depreciation (Increase/(Decrease))</i>	39 391 153	25 011 303
Net effect on Statement of Financial Performance	39 391 153	25 011 303
Net effect on Accumulated surplus opening balance	(710 939 628)	(376 686)

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**27.10 Other receivables from non-exchange transactions**

Reallocation of 2014 medical aid deduction to correct medical aid vote

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Other receivables from non-exchange transactions (Increase/(Decrease))</i>		1 967
<i>Other receivables from non-exchange transactions (Increase/(Decrease))</i>		(1 967)
Net effect on Statement of Financial Position	-	-
Net effect on Accumulated surplus opening balance	-	-

**27.11 Trade Receivables - Rates and Taxes and Rental Receivables**

Correction of 2014 misallocation error between rates and taxes, rental receivables and unallocated receipts

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Trade receivables from non-exchange transactions (Increase/(Decrease))</i>		
Rates and Taxes		(138 289)
<i>Trade receivables from exchange transactions (Increase/(Decrease))</i>		
Rental receivables		170 504
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		
Other Creditors		(32 215)
Net effect on Statement of Financial Position	-	-
Net effect on Accumulated surplus opening balance	-	-

**27.12 Other receivables - Staff Debt**

An employee was involved in a motor vehicle accident in one of Council's vehicles. The employee was not authorised to use the vehicle and the excess on the damages incurred are now being recovered from said employee. This was not accounted for in 2014.

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Other receivables from non-exchange transactions (Increase/(Decrease))</i>		
Other receivables		51 000
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		
Other creditors		6 000
Net effect on Statement of Financial Position	-	57 000
Net effect on Accumulated surplus opening balance	-	(57 000)

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
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**27.13 Investment Properties**

Investment Property was incorrectly valued in the prior years. This balances has now been corrected based on the revaluation performed.

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Investment Properties (Increase/(Decrease))</i>	(29 525 373)	
Net effect on Statement of Financial Position	(29 525 373)	-
 <u>Statement of Financial Performance</u>		
<i>Gain/Loss on fair value adjustments ((Increase)/Decrease)</i>		(300 000)
Net effect on Statement of Financial Performance	-	(300 000)
Net effect on Accumulated surplus opening balance	29 525 373	300 000

**27.14 Rental Receivables**

Income incorrectly recognised in 2014, now corrected.

The comparative amount has been restated as follows:

	<b>2013 and before</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Trade receivables from exchange transactions (Increase/((Decrease))</i>		
Rental Receivables	(181 357)	(527 351)
Net effect on Statement of Financial Position	(181 357)	(527 351)
 <u>Statement of Financial Performance</u>		
<i>Rental Income ((Increase)/Decrease)</i>	181 357	172 007
<i>Impairment of Assets (Increase/((Decrease))</i>	-	355 344
Net effect on Statement of Financial Performance	181 357	527 351
Net effect on Accumulated surplus opening balance	181 357	-

**27.15 Prepayments**

The prepayment on SARS was incorrectly disclosed in 2014.

The comparative amount has been restated as follows:

	<b>2013</b>	<b>2014</b>
<u>Statement of Financial Position</u>		
<i>Other receivables from non-exchange transactions (Increase/((Decrease))</i>		
Prepayments		(270 704)
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		
Other creditors		270 704
Net effect on Statement of Financial Position	-	-
 Net effect on Accumulated surplus opening balance	-	-

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		R	R
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**27.16 SARS Receivable/Payable**

The SARS payable was incorrectly recognised in 2014.

The comparative amount has been restated as follows:

	2013	2014
<u>Statement of Financial Position</u>		
<i>Trade and other payables from exchange transactions ((Increase)/Decrease)</i>		
Trade creditors and accruals		353 795
Other creditors		(710 039)
Net effect on Statement of Financial Position	-	(356 244)
<u>Statement of Financial Performance</u>		
<i>Interest Paid (Increase/((Decrease))</i>		356 244
Net effect on Statement of Financial Performance	-	356 244
Net effect on Accumulated surplus opening balance	-	-

**27.17 Unauthorised, irregular, fruitless and wasteful expenditure**

Unauthorised, irregular and fruitless and wasteful expenditure incorrectly disclosed in 2014 was written back. This has now been amended.

The comparative amount has been restated as follows:

	2013	2014
<b>Notes to the financial statements</b>		
28.1 Fruitless and wasteful expenditure (Increase/((Decrease))	-	211 353
28.2 Irregular expenditure (Increase/((Decrease))	-	194 848
28.3 Unauthorised Expenditure (Increase/((Decrease))	14 048 905	(2 624 023)
<b>TOTAL CORRECTION OF ERROR - OPENING BALANCE ((Surplus)/Deficit)</b>	<b>(693 444 985)</b>	<b>(6 014 456)</b>

**28 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**

**28.1 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful exp.

Opening balance -	1 511 343	949 690
Fruitless and wasteful expenditure current year	283 818	561 653
Condoned or written off by Council	-	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	<b>1 795 160,41</b>	<b>1 511 343</b>

**Disciplinary steps/criminal proceedings**

The fruitless and wasteful expenditure mainly relates to penalties and interest charged on overdue accounts. These contraventions were investigated and presented to council on recovery or write-off in 2015/16 financial year.

**28.2 Irregular expenditure**

Reconciliation of irregular expenditure

Opening balance -	87 866 596	66 114 323
Irregular expenditure current year	25 419 587	21 752 273
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	<b>113 286 183</b>	<b>87 866 596</b>

**Incident & Disciplinary steps/criminal proceedings**

Procurement not in line with the Supply Chain

Management Regulations

These contraventions have been investigated and presented to council on recovery or write-off in 2015/16 financial year.

i) No criminal or disciplinary steps were taken after investigation process.

ii) No material losses have been recovered.



**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

		R	R
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**28.3 Unauthorised Expenditure**

Reconciliation of Unauthorised expenditure

Opening balance -	37 689 902	27 360 565
Unauthorised expenditure current year	23 403 791	10 329 337
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Unauthorised expenditure awaiting condonement	<b>61 093 693</b>	<b>37 689 902</b>

**Incident & Disciplinary steps/criminal proceedings**

Unauthorised expenditure is due to the overspending of the total amount appropriated for a vote in the approved budget.

i) No criminal or disciplinary steps were taken after investigation process.

li) No material losses have been recovered.

**29 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**29.1 Audit fees**

Opening balance	185 451	465 845
Current year audit fee	2 938 557	2 612 449
Amount paid - current year	(2 897 741)	(2 434 093)
Amount paid - previous years	(185 451)	(458 750)
<b>Balance unpaid (included in payables)</b>	<b>40 816</b>	<b>185 451</b>

Audit fees balance include interest levied.

**29.2 VAT Receivable**

VAT input receivable is shown in note 4

4

<b>10 831 557</b>	<b>16 432 713</b>
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No VAT was paid to the Receiver of Revenue in 2014-15 financial year.

**29.3 PAYE, UIF and SDL**

Opening balance	49 120	-
Current year payroll deductions	4 790 521	3 350 310
Amount paid - current year	(3 642 748)	(3 301 191)
<b>Balance unpaid (included in payables)</b>	<b>1 196 892</b>	<b>49 120</b>

**29.4 Pension and Medical Aid Deductions**

Opening balance	(17 355)	-
Current year payroll deductions and Council Contributions	6 103 084	6 010 661
Amount paid - current year	(6 103 084)	(6 028 016)
<b>Balance unpaid (included in payables)</b>	<b>(17 355)</b>	<b>(17 355)</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		2015 R	2014 R
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**29.5 Councillor arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at:

	Outstanding < 90 days	Outstanding > 90 days	Total
<b>as at 30 June 2015</b>			
None outstanding			-
<b>Total Councillor Arrear Consumer Accounts</b>	-	-	-
<b>as at 30 June 2014</b>			
None outstanding			-
<b>Total Councillor Arrear Consumer Accounts</b>	-	-	-

**29.6 Non-Compliance with Chapter 11 of the Municipal Finance Management Act (MFMA)**

Non-compliance due to contravention of the Supply Chain Management Regulations stipulated in Chapter 11 of the MFMA has been disclosed in note 28.2

28.2

<b>113 286 183</b>	<b>87 866 596</b>
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**29.7 South African Local Government Association**

Opening balance	-	-
Contributions	536 000	894 737
Amount paid - current year	(536 000)	(894 737)
Balance unpaid (included in payables)	-	-

**30 CAPITAL COMMITMENTS**

**30.1 Commitments in respect of capital expenditure**

<b>- Approved and contracted for</b>	<b>50 923 279</b>	<b>86 109 579</b>
Property, plant and equipment	50 923 279	86 109 579
<b>- Approved and not yet contracted</b>	<b>155 890 000</b>	<b>32 716 100</b>
Property, plant and equipment	155 890 000	32 716 100
<b>Total</b>	<b>206 813 280</b>	<b>118 825 679</b>
This expenditure will be financed from:		
- Government Grants	204 977 194	109 653 478
- Own resources	1 836 086	9 172 202
	<b>206 813 280</b>	<b>118 825 679</b>

**31 EVENTS AFTER REPORTING DATE**

**as at 30 June 2015**

No material litigation is outstanding against the Municipality and no other post balance events have occurred after year-end and up to the date of the completion of these financial statements.

**32 RETIREMENT BENEFIT INFORMATION**

**32.1 Defined contribution plan**

An amount of R 3 795 763 (2014: R2 484 846) was contributed by Council in respect of Councillors and employees retirement funding. These contributions have been expensed and are included in employee related costs for the year.

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		<b>2015</b> <b>R</b>	<b>2014</b> <b>R</b>
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**33 CONTINGENT LIABILITY**

<b>33.1 Mr K Dijwe</b>	900 000	900 000
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*Mr Dijwe instituted an action against the municipality for the recovery of damages that he allegedly suffered as a result of the alleged malicious prosecution. The High Court in Mmabatho gave an order of Absolution from the instance after closure of the plaintiff's case, an application for leave to appeal was dismissed. The order was overturned and appeal will therefore continue. Should the appeal succeed, the trial will be proceeded with. The likelihood is that the appeal will succeed in favour of the Plaintiff.*

<b>33.2 Continued medical aid benefits</b>	335 111	238 322
--	---------	---------

*Kagisano-Molopo Local Municipality was formed through a merger of Kagisano and Molopo local municipalities. The former Molopo Local Municipality offered some of its employees, as part of the conditions of service, a benefit of continuation of the medical aid subsidy provided during employment upon the employees' retirement from the municipality.*

*There is uncertainty as to whether the aforementioned benefit obligation is applicable to the employees of the merged Kagisano-Molopo Local Municipality and in particular if the former employees of the former Molopo Local Municipality were transferred with this benefit. The employee contracts make no mention of this benefit and it is of the opinion of the Municipality that employees are no longer entitled to receive this benefit.*

*There is a possibility that the former Molopo employees will however demand post-employment medical aid benefit from the municipality and will base it on the constructive obligation created by Molopo. There is likelihood that this may result in litigation, and employees of the municipality demanding the same obligation upon retirement reached.*

*An independent valuation has been performed by Independent Actuaries & Consultants (Pty) Ltd estimating the amounts applicable.*

<b>33.3 Nduza Security &amp; Cleaning Services CC</b>	7 000 000	-
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*This entity instituted legal action against the Municipality for the recovery of an amount of R6 499 094.40 being in respect of damages that it allegedly suffered as a result of the fact that the Municipality awarded a tender for the provision of security services to an opposing tenderer. The matter is being defended by the Municipality.*

*There is uncertainty to the timing and amount of the case, as the outcome of the case is not been determined.*

<b>33.4 MH Office Machines and Stationers CC</b>	120 000	-
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*This entity instituted legal action against the Municipality for the recovery of an amount of R69 638.36 allegedly due to it in respect of delivered and services rendered. The matter is being defended.*

*There is uncertainty to the timing and amount of the case, as the outcome of the case has not been determined.*

<b>8 355 111</b>	<b>1 138 322</b>
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**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		<b>2015</b> <b>R</b>	<b>2014</b> <b>R</b>
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**34 CONTINGENT ASSET**

**34.1 Nduza Security & Cleaning Services CC**

-	45 000
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*The firm lodged an application to take execution against the Municipality despite the lodging of an appeal. The application was successfully opposed. We are in the process of having our bill of costs drafted and shall continue with attempts at recovery of same after taxation*

*In the 2014 the judgment was given in favour of the Municipality, and the Plaintiff paid the related costs. The timing and uncertainty of the amount receivable at year-end is not known.*

*During 2014-15, the matter has been finalised and the cost recovered.*

**34.2 Insurance Claim**

-	139 475
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*Raider Dc 2.7 vehicle was involved in an accident during the 2013/2014 financial year. The claim was submitted on the 7th of May 2013. However no response from the insurance company was received as at 30 June 2015.*

*Therefore, the timing and uncertainty of the amount receivable at year-end is not known.*

*Insurance claim was paid by the insurance company during the 2014-15 financial year.*

-	<b>184 475</b>
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**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		<b>2015</b> <b>R</b>	<b>2014</b> <b>R</b>
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**35 RELATED PARTIES**

**35.1 Members of key management - Section 57**

Mr AR Khuduge	-	-
Mr OO Ntsimane (Acting)	-	-
Adv BG Selebogo	-	-
Ms GE Kegopotsemang	-	-
Mr OE Pitso (Acting)	-	-
	<u>-</u>	<u>-</u>

*No related party transactions occurred between the municipality and its key management, including the audit committee.*

*Declarations of interest was circulated to all employee of the municipality and a CIPRO search performed.*

**Compensation to councillors and other key management (refer to note 17 & 18)**

**35.2 Purchases from (sales to) persons in service of state**

None	-	-
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**35.3 Shared Internal Audit Service**

Dr Ruth S Mompati District Municipality	-	-
- The internal audit services are regarded as services-in-kind and the monetary value of the services cannot be determined.		

<b>Total Related Party Transactions</b>	<u>-</u>	<u>-</u>
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**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		2015 R	2014 R
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**36 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The following areas involve a significant degree of estimation uncertainty:

**36.1 Impairment of receivables**

Management has an accounting policy in place to provide for the impairment of bad debts. The policy requires individual assessment of long outstanding debtors.

The carrying value of the impairment for bad debt is: (6 764 803) (4 748 573)

The impairment provided for in the Statement of financial performance is: 2 016 229 347 718

The following amount of bad debts were written off and was approved by management and condoned by council (and is included in the amount as per Statement of financial performance) - -

**36.2 The useful lives and residual values of property, plant, and equipment**

In accordance with GRAP 17 the municipality implemented an accounting policy to determine if there is any indication that the municipality's expectations about the residual values and the useful lives of the asset have changed since the preceding reporting period.

The carrying value of assets at year end, subject to the annual review is: 943 313 771 947 367 596

**36.3 Long service award Liability**

**Financial Assumptions:** It is difficult to estimate future investment returns and salary inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP19 requires that financial assumptions be based on market expectations at the valuation date for the period over which the liability obligations are to be settled.

**Discount Rate:** The discount rate required by GRAP19 should be set with reference to a high quality corporate bond. In countries where there is no deep market in such bonds, the market yield on government bonds should be used. A greater emphasis is placed on the duration of the liabilities when determining the discount rate as per the revised GRAP 19 requirements. With this in mind, we have set the discount rate by using the "best fit" discount rate at 30 June 2015 which we have based on the yields from the zero coupon government bond curve. The best fit has been determined taking into account the cash-flow weighted duration of the liabilities, which is approximately 9 years. The recommended discount rate of 8.61% (R699 233) for the 2013-14 financial year decreased by 0.26% to 8,35% (R748 581) in the 2014-15 financial year.

**General Salary Increase:** This assumption is more stable relative to the growth in Consumer Price Inflation (CPI) than in absolute terms. In most industries, experience has shown, that over the long-term, salary inflation is between 1.25% and 1.5% above CPI inflation. We assessed the general salary increases over the last 3 years and thus a general average salary inflation rate of 7.04% per annum. It has been assumed that the next salary increase will take place in 1 July 2015.

**Average Retirement Age:** The Municipality has a normal retirement age of 65. It has been assumed that all in-service members will retire at age 63, which makes an allowance for expected rates of early and ill-health retirement.

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

		R	R
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**37 RISK MANAGEMENT**

**FINANCIAL INSTRUMENTS DISCLOSURE**

Categories of financial instruments:

**Financial assets**

**2015**

Trade receivables from non-exchange transactions  
Trade receivables from exchange transactions  
Cash and cash equivalents

	At amortisation cost	Total
At fair value		
	477 447	477 447
	823 105	823 105
26 096 227	-	26 096 227
26 096 227	1 300 552	27 396 779

**2014**

Trade receivables from non-exchange transactions  
Trade receivables from exchange transactions  
Cash and cash equivalents

	At amortisation cost	Total
At fair value		
-	11 692 887	11 692 887
-	735 237	735 237
26 602 778	-	26 602 778
26 602 778	12 428 124	39 030 902

**Financial liabilities**

**2015**

Trade and other payables from exchange transactions  
Other financial liabilities

	At amortisation cost	Total
At fair value		
-	14 003 970	14 003 970
-	-	-
-	14 003 970	14 003 970

**2014**

Trade and other payables from exchange transactions  
Other financial liabilities

	At amortisation cost	Total
At fair value		
-	16 058 965	16 058 965
-	-	-
-	16 058 965	16 058 965

**37.1 Maximum credit risk exposure**

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a small customer base. Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

	2015	2014
Current Account (Primary Bank Account) - ABSA Acc nr: 407801332	2 166 699	3 889 624
Other short-term investments	23 929 528	22 713 154
Trade receivables	989 121	12 888 934

These balances represent the maximum exposure to credit risk.

**37.2 Liquidity risk**

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an on-going review of future commitments and credit facilities.

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

		R	R
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**37.3 Interest rate risk**

At year end, financial instruments exposed to interest rate risk were as follows:

Call deposits	23 929 528	22 713 154
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**38 GOING CONCERN ASSUMPTION**

Management believes that the Going Concern assumption is appropriate

**39 COMPARISON WITH THE BUDGET**

The financial statements and the budget is approved on an accrual basis by functional classification. The approved budget covers the financial period from 1 July 2014 to 30 June 2015.

The financial statements and budget information are prepared for the same period. The financial statements are prepared using a classification of nature of expenses in the Statement of Financial Performance. The comparison of the Municipality's actual financial performance with that budgeted is set out in a the Statement of Actual versus Budget.



**KAGISANO-MOLOPO LOCAL MUNICIPALITY**

**APPENDIX A**

**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**

for the year ended 30 June 2015

	Cost							Accumulated Depreciation				Impairment Losses	Carrying Value	
	Opening Balance		Additions	Disposals	Other Movements	Under Construction Capitalised	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals/ Other Movements			Closing Balance
	Cost	Under Construction												
Land	R	R	R	R	R	R	R	R	R	R	R	R	R	
Land	846 688	-	-	-	-	-	-	846 688	-	-	-	-	-	846 688
	846 688	-	-	-	-	-	-	846 688	-	-	-	-	-	846 688
Buildings	35 705 205	-	82 050	-	-	-	-	35 787 255	(6 679 723)	(1 198 219)	-	(7 877 942)	-	27 909 313
Buildings	349 560	-	-	-	-	-	-	349 560	(118 488)	(11 652)	-	(130 140)	-	219 420
Taxi Ranks	36 054 765	-	82 050	-	-	-	-	36 136 815	(6 798 211)	(1 209 871)	-	(8 008 082)	-	28 128 733
Infrastructure	906 045 942	14 931 274	19 452 880	-	-	(17 650 264)	2 718 991	925 498 822	(180 709 803)	(31 290 847)	-	(212 000 650)	-	713 498 172
Roads	29 891 990	4 354 238	-	-	-	-	6 080 556	40 326 783	(6 851 342)	(1 141 890)	-	(7 993 232)	-	32 333 551
Electricity Network	935 937 932	19 285 511	19 452 880	-	-	(17 650 264)	8 799 546	965 825 605	(187 561 145)	(32 432 737)	-	(219 993 882)	-	745 831 723
Community Assets	43 750	-	-	-	-	-	-	43 750	(26 979)	(1 458)	-	(28 437)	-	15 313
Parks & Gardens	3 618 465	-	-	-	-	-	-	3 618 465	(784 001)	(120 616)	-	(904 617)	-	2 713 849
Libraries	3 636 156	1 123 255	6 414 024	-	-	(6 406 727)	5 311 025	10 077 733	(815 752)	(166 842)	-	(982 594)	-	9 095 139
Recreation	97 507 125	17 350 700	19 078 098	-	-	(18 997 603)	17 877 078	132 815 398	(19 601 674)	(3 397 306)	-	(22 998 980)	-	109 816 418
Grounds	35 489 355	-	-	-	-	-	-	35 489 355	(7 027 137)	(1 182 979)	-	(8 210 116)	-	27 279 240
Halls	-	569 250	-	-	-	-	3 250 356	3 819 606	-	-	-	-	-	3 819 606
Community Buildings	140 294 851	19 043 205	25 492 122	-	-	(25 404 330)	26 438 460	185 864 307	(28 255 543)	(4 869 201)	-	(33 124 744)	-	152 739 563
Cemeteries														

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**APPENDIX A**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
for the year ended 30 June 2015

	Cost							Accumulated Depreciation						
	Opening Balance	Additions	Disposals	Other Movements	Under Construction Capitalised	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals/ Other Movements	Closing Balance	Impairment Losses	Carrying Value	
	Cost	Under Construction												
	R	R	R	R	R	R	R	R	R	R	R		R	
Other Assets														
Office Equipment	1 485 973	-	278 419	-	-	-	1 764 392	(349 508)	(230 505)	-	(580 014)	(201 978)	982 400	
Furniture & Fittings	6 210 782	-	1 575 453	-	-	-	7 786 235	(1 006 257)	(1 091 971)	-	(2 098 228)	(327 423)	5 360 583	
Machinery and Equipment	6 208 705	-	-	-	-	-	6 208 705	(1 285 187)	(610 628)	0	(1 895 815)	(4 931)	4 307 959	
Official Vehicles	5 464 287	-	-	-	-	-	5 464 287	(1 315 460)	(772 215)	-	(2 087 676)	(535 698)	2 840 914	
Computer Equipment	2 317 067	-	344 777	(8 233)	-	-	2 653 610	(443 240)	(483 554)	1 530	(925 264)	(379 833)	1 348 513	
Other Assets	1 488 395	-	186 494	-	-	-	1 674 888	(256 013)	(228 218)	-	(484 231)	(263 963)	926 694	
	23 175 208	-	2 385 142	(8 233)	-	-	25 552 117	(4 655 666)	(3 417 091)	1 530	(8 071 227)	(1 713 827)	15 767 063	
GRAND TOTAL	1 136 309 443	38 328 716	47 412 194	(8 233)	-	(43 054 595)	35 238 006	1 214 225 532	(227 270 564)	(41 928 899)	1 530	(269 197 934)	(1 713 827)	943 313 771

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**

**APPENDIX A**

**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**

as at 30 June 2014

	Cost							Accumulated Depreciation				Impairment Losses	Carrying Value	
	Opening Balance		Additions	Disposals	Other Movements	Under Construction Capitalised	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals/ Other Movements			Closing Balance
	Cost	Under Construction												
	R													
Land														
Land	846 688	-	-	-	-	-	-	846 688	-	-	-	-	846 688	
	846 688	-	-	-	-	-	-	846 688	-	-	-	-	846 688	
Buildings														
Buildings	35 705 205	-	-	-	-	-	-	35 705 205	(5 489 549)	(1 190 174)	-	(6 679 723)	29 025 482	
Taxi Ranks	349 560	-	-	-	-	-	-	349 560	(106 836)	(11 652)	-	(118 488)	231 072	
	36 054 765	-	-	-	-	-	-	36 054 765	(5 596 385)	(1 201 826)	-	(6 798 211)	29 256 554	
Infrastructure														
Roads	869 165 916	33 408 440	36 880 026	-	-	(36 880 026)	18 402 859	920 977 216	(150 481 947)	(30 227 855)	-	(180 709 803)	740 267 413	
Electricity Network	29 891 990	2 920 283	-	-	-	-	1 433 955	34 246 227	(5 709 452)	(1 141 890)	-	(6 851 342)	27 394 886	
	899 057 906	36 328 723	36 880 026	-	-	(36 880 026)	19 836 814	955 223 443	(156 191 399)	(31 369 746)	-	(187 561 145)	767 662 299	

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**

**APPENDIX A**

**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**

as at 30 June 2014

	Cost							Accumulated Depreciation				Impairment Losses	Carrying Value
	Opening Balance	Additions	Disposals	Other Movements	Under Construction Capitalised	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals/ Other Movements	Closing Balance		
	Cost	Under Construction											
	R	R	R	R		R	R	R	R	R	R		R
<b>Community Assets</b>													
Parks & Gardens	43 750	-	-	-	-	-	43 750	(25 521)	(1 458)	-	(26 979)		16 771
Libraries	3 618 465	-	-	-	-	-	3 618 465	(663 385)	(120 616)	-	(784 001)		2 834 464
Recreation Grounds	2 386 200	1 249 956	1 249 956	-	-	(1 249 956)	1 123 255	4 759 410	(736 212)	(79 540)	(815 752)		3 943 658
Halls	85 948 590	14 418 776	11 558 535	-	-	(11 558 535)	14 490 459	114 857 825	(16 736 721)	(2 864 953)	(19 601 674)		95 256 151
Community Buildings	35 489 355	-	-	-	-	-	35 489 355	(5 844 159)	(1 182 979)	-	(7 027 137)		28 462 218
Cemeteries	-	362 250	-	-	-	-	207 000	569 250	-	-	-		569 250
	<b>127 486 360</b>	<b>16 030 982</b>	<b>12 808 490</b>	<b>-</b>	<b>-</b>	<b>(12 808 490)</b>	<b>15 820 713</b>	<b>159 338 055</b>	<b>(24 005 997)</b>	<b>(4 249 545)</b>	<b>(28 255 543)</b>		<b>131 082 512</b>
<b>Other Assets</b>													
Office Equipment	1 169 000	-	316 973	-	-	-	1 485 973	(153 652)	(195 856)	-	(349 508)		1 136 465
Furniture & Fittings	4 697 307	-	1 513 474	-	-	-	6 210 782	(362 951)	(643 306)	-	(1 006 257)		5 204 524
Machinery and Equipment	3 518 705	-	2 880 000	(190 000)	-	-	6 208 705	(842 869)	(523 991)	81 673	(1 285 187)		4 923 518
Official Vehicles	8 364 317	-	413 028	(2 923 126)	(389 932)	-	5 464 287	(2 388 423)	(776 908)	1 849 871	(1 315 460)		4 148 827
Computer Equipment	1 881 758	-	435 309	-	-	-	2 317 067	(177 833)	(265 407)	-	(443 240)		1 873 827
Other Assets	1 318 483	-	169 912	-	-	-	1 488 395	(91 445)	(164 568)	-	(256 013)		1 232 382
	<b>20 949 571</b>	<b>-</b>	<b>5 728 696</b>	<b>(3 113 126)</b>	<b>(389 932)</b>	<b>-</b>	<b>23 175 208</b>	<b>(4 017 173)</b>	<b>(2 570 036)</b>	<b>1 931 544</b>	<b>(4 655 666)</b>		<b>18 519 543</b>
<b>GRAND TOTAL</b>	<b>1 084 395 290</b>	<b>52 359 705</b>	<b>55 417 212</b>	<b>(3 113 126)</b>	<b>(389 932)</b>	<b>35 657 528</b>	<b>1 174 638 160</b>	<b>(189 810 954)</b>	<b>(39 391 153)</b>	<b>1 931 544</b>	<b>(227 270 564)</b>		<b>947 367 596</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**APPENDIX B**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**  
for the year ended 30 June 2015

	Cost						Accumulated Depreciation					Impairment Losses	Carrying value
	Opening Balance Cost/WIP	Additions	Other Movements	Disposals	Under Construction Capitalised	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance		
	R	R	R	R		R	R	R	R	R			R
Office of the Mayor	170 993	164 806	-	-			335 799	(30 906)	(32 171)	-	(63 077)	-	R 272 722
Office of the Speaker	468 916	15 974	-	-			484 889	(34 410)	(89 311)	-	(123 721)	(152 790)	R 208 379
Office of the Municipal Manager	318 019	143 662	-	-			461 681	(50 064)	(59 161)	-	(109 224)	(97 948)	R 254 508
Office of Budget & Treasury	1 336 464	312 882	-	(8 233)			1 641 113	(328 927)	(255 739)	1 530	(583 136)	(188 826)	R 869 151
Office of Corporate Services	15 426 063	69 466	-	-			15 495 529	(3 410 513)	(1 979 887)	-	(5 390 399)	(945 040)	R 9 160 089
Office of Community Services	2 351 165	272 503	-	-			2 623 668	(431 857)	(367 717)	-	(799 574)	(71 237)	R 1 752 857
Office of Technical Services	1 154 566 541	46 432 901	-	-	(43 054 595)	35 238 006	1 193 182 854	(222 983 887)	(39 144 915)	-	(262 128 802)	(257 986)	R 930 796 066
<b>Total</b>	<b>1 174 638 160</b>	<b>47 412 194</b>	<b>-</b>	<b>(8 233)</b>	<b>(43 054 595)</b>	<b>35 238 006</b>	<b>1 214 225 532</b>	<b>(227 270 564)</b>	<b>(41 928 899)</b>	<b>1 530</b>	<b>(269 197 933)</b>	<b>(1 713 827)</b>	<b>943 313 771</b>

**KAGISANO-MOLOPO LOCAL MUNICIPALITY**  
**APPENDIX C**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 30 June 2015

2014	2014	2014	2014
REVENUE	EXPENSES	OTHER	Surplus / (Deficit)
R	R	R	R
2 884 678	7 543 231	-	(4 658 552)
4 121 380	11 744 989	-	(7 623 609)
1 202 796	4 678 591	-	(3 475 795)
24 917 942	16 476 240	865 516	7 576 186
7 160 315	19 042 433	295 152	(12 177 269)
36 720 798	6 976 886	-	29 743 912
46 585 302	62 565 992	-	(15 980 689)
<b>123 593 211</b>	<b>129 028 361</b>	<b>1 160 667</b>	<b>(6 595 817)</b>

Office of the Mayor  
Office of the Speaker  
Office of the Municipal Manager  
Office of Budget & Treasury  
Office of Corporate Services  
Office of Community Services  
Office of Technical Services  
**Total**

2015	2015	2015	2015
REVENUE	EXPENSES	OTHER	Surplus / (Deficit)
R	R	R	R
50 658	7 446 632	-	(7 395 974)
-	14 662 164	-	(14 662 164)
-	4 438 058	-	(4 438 058)
77 089 377	27 796 563	(364 000)	49 656 814
-	27 729 457	(9 613)	(27 719 843)
23 212 748	5 411 526	-	17 801 221
25 395 221	64 683 912	-	(39 288 692)
<b>125 748 004</b>	<b>152 168 313</b>	<b>(373 613)</b>	<b>(26 046 696)</b>

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The Annual Financial statements were audited in November 2015. Refer to Auditor General's Audit report on page 213

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

A qualified opinion was obtained in the 2013/14 financial year

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

Refer to the below page for 2014-2015 Audit Report and Action Plan

### COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

A series of financial performance data for the 2014/2015 were submitted to the National Treasury at specified intervals throughout the year as required by section 71 of the MFMA. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# Report of the auditor-general to the North West provincial legislature and the council on the Kagisano-Molopo Local Municipality

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Kagisano-Molopo Local Municipality set out on pages 142 to 211, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of actual versus budget (revenue and expenditure) for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.





5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## **Basis for qualified opinion**

### **Irregular expenditure**

6. The municipality did not disclose all irregular expenditure in note 28.2 to the financial statements as required by section 125(2)(d)(i) of the MFMA. The municipality made payments in contravention of the supply chain management requirements which were not included the irregular expenditure disclosed for the current year and prior year. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R113 286 183 (2014: R87 866 596) as disclosed in note 28.2 to the financial statement.

### **Qualified opinion**

7. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Kagisano-Molopo Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and the DoRA.

### **Emphasis of matters**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unauthorised and fruitless and wasteful expenditure**

9. As disclosed in note 28.3 to the financial statements, unauthorised expenditure of R23 403 791 was incurred in the current year and the unauthorised expenditure in respect of prior years of R37 689 902 had not yet been dealt with in accordance with section 32 of the MFMA.
10. As disclosed in note 28.1 to the financial statements, fruitless and wasteful expenditure of R283 818 was incurred in the current year and fruitless and wasteful expenditure from prior years of R1 511 343 had not yet been dealt with in accordance with section 32 of the MFMA.

### **Additional matters**

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited disclosure notes**

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

### **Unaudited supplementary schedules**

13. The supplementary information set out on pages 206 to 211 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.



## Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:
- Key performance area: Basic service delivery and infrastructure development on pages 91 to 96
  - Key performance area: Local economic development and community services on pages 97 to 112
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information on any of the selected development priorities of the municipality.

### **Additional matter**

20. I draw attention to the following matter:

### **Achievement of planned targets**

21. Refer to the annual performance report on pages 80 to 130 and 80 to 130 for information on the achievement of the planned targets for the year.

### **Adjustment of material misstatement**

22. I identified a material misstatement in the annual performance report submitted for auditing on the reported performance information for key performance indicator: Local economic development and community services. As management subsequently corrected the misstatement, I did not identify any material findings on the usefulness and reliability of the reported performance information.

### **Compliance with legislation**

23. I performed procedures to obtain evidence that the municipality had complied with applicable



legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## **Annual financial statements, performance and annual reports**

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, depreciation, payables, the cash-flow statement and numerous disclosure notes including irregular, unauthorised, fruitless and wasteful expenditure and commitments identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

## **Audit committee**

25. The audit committee did not submit, at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by regulation 14(4)(a)(iii) of the Municipal planning and performance management regulations.

## **Human resource management**

26. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by regulation 14(2)(a) of the Municipal Regulations on Minimum Competency Levels.

## **Procurement and contract management**

27. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulations 17(a) and (c).
28. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
29. Contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
30. Contracts were extended and modified without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.

## **Revenue management**

31. A credit control and debt collection policy was not maintained as required by section 96(b) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and section 62(1)(f)(iii) of MFMA.
32. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

## **Expenditure management**

33. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
34. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.





## **Assets management**

35. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

## **Consequence management**

36. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.

## **Environmental management**

37. The municipality did not exercise its legislative and executive authority as required by section 11(3)(l) and (m) of the MSA by managing, monitoring and enforcing environmental related bylaws to promote a safe and healthy environment.
38. The municipality operated its waste disposal sites facilities without a license in contravention of section 20(b) of the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) (NEMWA), section 24(2)(a) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA).
39. The municipality's waste management and disposal activities contravened or failed to comply with the requirements of section 28(1) of the NEMA, section 19 of the NWA and sections 16(1)(c) and (d) and 26(1)(b) of the NEMWA.

## **Internal control**

40. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

## **Leadership**

41. Adequate oversight responsibility regarding financial and performance reporting and compliance and related internal controls has not been exercised resulting in material misstatements in the financial statements. Policies and procedures have not been adequately implemented and communicated to staff over supply chain management principles. Furthermore, sufficiently skilled resources are not in place as various key positions such as chief financial officer is still being filled by an acting official.

## **Financial and performance management**

42. The municipality did not implement a proper record keeping system to ensure that complete, relevant and accurate information is accessible and available to support the preparation and presentation of financial statements, performance reporting and compliance with laws and regulations. The municipality failed through the review and reconciliation to address material errors within the financial statements, leading to numerous audit adjustments made, to avoid additional qualifications. Furthermore, the municipality's lack of control over supply chain management resulted that irregular expenditure was understated for the year. Management is encouraged to implement proper controls over supply chain management as a matter of urgency.



## Governance

43. The audit committee did not comply with the requirements to ensure that the review of the performance management system are performed and report to council. The audit committee failed to execute their responsibility in terms of their mandate.

*Auditor General*

Rustenburg

30 November 2014



AUDITOR - GENERAL  
SOUTH AFRICA

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**KAGISANO-MOLOPO LOCAL MUNICIPALITY  
ACTION PLAN 2014-2015**

No	Component	Audit Report Paragraph	Audit Report Par No	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress
1	Irregular Expenditure	The municipality did not disclose all irregular expenditure in note 28.2 to the financial statements as required by section 125(2)(d)(i) of the MFMA. The municipality made payments in contravention of the supply chain management requirements which were not included the irregular expenditure of the current year and prior year. As the municipality did not quantify the full extent of the irregular expenditure, it was impractical to determine the resultant understatement of irregular expenditure of R113 286 183 (2014: 87 866 596) as disclosed in note 28.2 to the financial statements.	par 6	Management will ensure that policies and procedures are reviewed and implemented to ensure the early detection of non-compliance with supply chain regulations and that these contraventions are reported on.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
2	Unauthorised expenditure	As disclosed in note 28.3 to the financial statements, unauthorised expenditure of R23 403 791 was incurred in the current year and the unauthorised expenditure in respect of prior years of R37 689 902 had not been dealt with in accordance with section 32 of the MFMA	par 9	Unauthorised expenditure relating to prior years will be investigated in the 2015-16 financial year.  Management will consult all relative parties to ensure that the investigation and possible write-off of unauthorised expenditure is probably dealt with in accordance with section 32 of the MFMA.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
3	Fruitless and wasteful expenditure	As disclosed in note 28.1 to the financial statements, fruitless and wasteful expenditure of R283 818 was incurred in the current year and the fruitless and wasteful expenditure in respect of prior years of R1 511 243 had not been dealt with in accordance with section 32 of the MFMA	par 10	Fruitless and wasteful expenditure relating to prior years will be investigated in the 2015-16 financial year.  Management will consult all relative parties to ensure that the investigation and possible write-off of u fruitless and wasteful expenditure is probably dealt with in accordance with section 32 of the MFMA.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
4	Audit Committee	The audit committee did not submit, at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by regulation 14(4)(a)(iii) of the Municipal planning and performance management regulations	par 25	Management will engage with the audit committee to emphasis the importance of having quarterly meeting.  Management will further ensure that that all relevant information be submitted to the audit committee on a quarterly basis to ensure that these information are reviewed by the audit committee.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
5	Human Resource Management	The municipality did not submit a report on compliance with the prescribed competency levels to the National Treasury and relevant provincial treasury as required by regulation 4(2)(a) of the Municipal Regulations on Minimum Competency Levels	par 26	Detailed HR checklist with detailed timeframes and submission dates be developed and implemented to ensure that the relevant reports are submitted to the relevant parties timeously.	1-Jan-16	30-Jun-16	BK Selebogo	Acting Director Corporate Services	In progress
6	Procurement & Contract Management	Goods and services with a transaction value of below R200 000 were procured without obtaining three quotations as required by SCM regulations 17(a) and ©	par 27	Management will ensure that: 1. a thorough review of the supply chain management processes be conducted including the review of job descriptions and duties of all SCM officials.  2. SCM checklist be implemented and reviewed by SCM Manager to ensure the early detection of possible non-compliance with SCM regulations	1-Jan-16	30-Jun-16	OO Ntsimane	Acting CFO	In progress
	Procurement & Contract Management	Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19 (a)	par 28	Management will ensure that: 1. a thorough review of the supply chain management processes be conducted including the review of job descriptions and duties of all SCM officials.  2. SCM checklist be implemented and reviewed by SCM Manager to ensure the early detection of possible non-compliance with SCM regulations	1-Jan-16	30-Jun-16	OO Ntsimane	Acting CFO	In progress
	Procurement & Contract Management	Contracts were awarded to bidders based on the preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations	par 29	Management will ensure that: 1. a thorough review of the supply chain management processes be conducted including the review of job descriptions and duties of all SCM officials.  2. SCM checklist be implemented and reviewed by SCM Manager to ensure the early detection of possible non-compliance with SCM regulations	1-Jan-16	30-Jun-16	OO Ntsimane	Acting CFO	In progress

Procurement & Contract Management	Contracts were extended and modified without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA	par 30	Management will ensure that proper contract management controls be implemented in regard to the monitoring of all capital and operating contracts within the municipality to ensure that all contracts are within the approved contract amount and extension and/or modification to initial contracts are necessary and in accordance with section 116(3) of the MFMA	1-Jan-16	30-Jun-16	OO Ntsimane	Acting CFO	In progress
Revenue Management	A credit control and debt collection policy was not maintained as required by section 96(b) of the Municipal Systems Act, 200 (Act No.32 of 2000) (MSA) and section 62(1)(f)(iii) of the MFMA	par 31	Proper review of the credit control and debt collection policy will be performed to ensure compliance with the relevant legislation.	1-Jan-16	30-Jun-16	BK Selebogo	Acting Director Corporate Services	In progress
Revenue Management	Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA	par 32	Management will ensure that a proposed 2% interest charge is presented to council for approval and be implemented on Pastel System for all outstanding debtors balances	1-Jul-15	30-Jun-16	OO Ntsimane	Acting CFO	In progress
Expenditure Management	Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA	par 33	Management will ensure that all payments to suppliers are made within 30days as required by legislation. A monthly creditor's reconciliation together with the supplier listing will be thoroughly monitored and reviewed by the CFO to ensure the efficiency and effective of the process	1-Jul-15	30-Jun-16	OO Ntsimane	Acting CFO	In progress
Expenditure Management	Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.	par 34	Management will ensure that: 1. a thorough review of the supply chain management processes be conducted including the review of job descriptions and duties of all SCM officials. 2. SCM checklist be implemented and reviewed by SCM Manager to ensure the early detection of possible non-compliance with SCM regulations. 3. Budget officer be appointed to ensure the review expenditure of votes to approved budget to ensure the early detection of unauthorised expenditure. 4. Payments to suppliers are made within 30days as required by legislation to ensure that interest charged on overdue accounts are mitigated.	1-Jul-15	30-Jun-16	OO Ntsimane	Acting CFO	In progress
Asset Management	An effective system of internal control for assets was not in place, as required by section 63(2)(e) of the MFMA.	par 35	Management will ensure that a year-end asset count is performed, that municipal assets identified are recorded in the asset register, that a fully-detailed asset register is kept.	1-Jan-16	30-Jun-16	OO Ntsimane	Acting CFO	In Progress
Consequence Management	Unauthorised, irregular and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required 32(2)(a)(ii) of the MFMA	par 36	Fruitless and wasteful expenditure relating to prior years will be investigated in the 2015-16 financial year.  Management will consult all relative parties to ensure that the investigation and possible write-off of u fruitless and wasteful expenditure is probably death with in accordance with section 32 of the MFMA.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
Environmental Management	The municipality did not exercise its legislative and executive authority as required by section(11)(3)(l) and (m) of the MSA, by managing, monitoring and enforcing environmental related bylaws to promote a safe and healthy environment	par 37	Management will ensure that continuous discussions and follow up be done on the roles and responsibilities of landfill site between the district municipality and Kagisano-Molopo Local Municipality.  Once this has been finalised, management will ensure that the relevant actions be implemented.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
Environmental Management	The municipality operated its waste disposal sites facilities without a license in contravention of section 20(b) of the Environmental Management Waste Act, 2008 (Act No.59 of 2008) (NEMWA), section 24(2)(a) of the National Environmental Management Act, 1998 (Act No.107 of 1998) (NEMA)	par 38	Management will ensure that continuous discussions and follow up be done on the roles and responsibilities of landfill site between the district municipality and Kagisano-Molopo Local Municipality.  Once this has been finalised, management will ensure that the relevant actions be implemented.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
Environmental Management	The municipality's waste management and disposal activities contravened or failed to comply with the requirements of section 28(1) of the NEMA, section 19 of the NWA and sections 16(1)(c) and (d) and 26(1)(b) of the NEMWA	par 39	Management will ensure that continuous discussions and follow up be done on the roles and responsibilities of landfill site between the district municipality and Kagisano-Molopo Local Municipality.  Once this has been finalised, management will ensure that the relevant actions be implemented.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
Internal Control Leadership	Adequate oversight responsibility regarding financial and performance and compliance and related internal controls has not been exercised resulting in material misstatement in the financial statements. Policies and procedures have not been adequately implemented and communicated to staff over supply chain management principals.  Furthermore, sufficiently skilled resources are not in place as various key positions such as the chief financial official is still being filled by an acting official.	par 41	Management will ensure that: 1. relevant policies and procedures are developed/reviewed, communicated and implemented.  2. Discussion be held with the MEC of Local Government and Human Settlements with regard to the appointment of a chief financial officer and other section 57 officials, due to the fizzing of any new appointments by the MEC.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
Internal Control Financial and Performance Management	<b>Description:</b> The municipality did not implement a proper record keeping system to ensure that complete, relevant and accurate information is accessible and available to support the preparation and presentation of financial statements, performance reporting and compliance with laws and regulations.  The Municipality failed through the review and reconciliation to address material errors within the financial statements, leading to numerous audit adjustments made, to avoid additional qualification.  The municipality's lack of control over supply chain management resulted that irregular expenditure was understated for the year. Management is encouraged to implement proper control over supply chain management as a matter of urgency.	par 42	Management will ensure that proper document management system be implemented to ensure that proper record keeping support the preparation and presentation of financial statements, performance reporting and compliance with laws and regulations.  Management will ensure that proper review and reconciliations are done on all financial statement components/items to ensure that information reported in the financial statements are accurate and complete and is supported by relevant information to limit the audit adjustments.  Management will ensure that proper review of SCM policies and procdures are conducted to ensure compliance with SCM regulations.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress

Internal Control Governance	The audit committee did not comply with the requirements to ensure that the review of the performance system are performed and report to council. The audit committee failed to execute their responsibility in terms of their mandate.	par 43	Management will engage with the audit committee to emphasis the importance of having quarterly meeting.	1-Jan-16	30-Jun-16	A Khuduge	Municipal Manager	In progress
			Management will further ensure that that all relevant information be submitted to the audit committee on a quarterly basis to ensure that these information are reviewed by the audit committee.					



# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b> <b>Key</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

# GLOSSARY

<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and

# GLOSSARY

	express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# APPENDICES

## APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr K.V Kekesi	Full Time	Mayor	Party Representative	100%	0%
Cllr SKM Namusi	Full Time	Speaker	Party Representative	100%	0%
Cllr B C Chichindua	Full Time	Community Services and LED	Party Representative	100%	0%
Cllr Bahumi	Part Time	Good Governance & Public Participation	Party Representative	100%	0%
Cllr AW Molale	Part Time	Budget & treasury	Party Representative	100%	0%
Cllr PR Mmerekhi	Part Time	Budget & treasury	Party Representative	100%	10%
Cllr LE Gaobepe-Boemo	Part Time	Community Services and LED	Party Representative	100%	0%
Cllr M.E Sedumecwe	Part Time	Infrastructure	Party Representative	100%	0%
Cllr M Seeletso	Part Time	Community Services and LED	Party Representative	100%	0%
Cllr NJD Muller	Part Time	Corporate Service	Party Representative	100%	0%
Cllr. ZMJZ Cufa	Part Time	Good Governance & Public Participation	Party Representative	100%	0%
Cllr S T Setae	Full Time	Budget & treasury	Party Representative	100%	0%
Cllr KD Baepi	Part Time	Budget & treasury	Party Representative	100%	0%
Cllr MJ Ntlhaile	Part Time	Corporate Service	Party Representative	100%	0%
Cllr BC Mothibi	Part Time	Budget & treasury	Party Representative	100%	0%
Cllr KS Moreki	Full Time	Good Governance & Public Participation	Ward	100%	0%

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Cllr TZ Baakanyang	Part Time	Good Governance & Public Participation	Ward	100%	0%
Cllr IF Ratshipa	Part Time	Good Governance & Public Participation	Ward	100%	0%
Cllr MT Miguel	Part Time	Corporate Services	Ward	100%	0%
Cllr SG Ngamole	Part Time	Community Services and LED	Ward	100%	0%
Cllr T A Matlhe	Part Time	Community Services and LED	Ward	100%	0%
Cllr OA Phillip	Part Time	Good Governance & Public Participation	Ward	100%	0%
Cllr NF Seswai	Part Time	Good Governance & Public Participation	Ward	100%	0%
Cllr TC Loabile	Part Time	Corporate Services	Ward	100%	0%
Cllr B B Dithakgwe	Full Time	Infrastructure	Ward	100%	0%
Cllr G K Nthebotsenyane	Part Time	Infrastructure	Ward	100%	0%
Cllr SR Modise	Full Time	Corporate Services	Ward	100%	0%
Cllr TM Lenner	Part Time	Corporate Services	Ward	100%	0%
Cllr MM Diphikwe	Part Time	Infrastructure	Ward	100%	0%
Cllr TM Olaotswe	Part Time	Corporate Services	Ward	100%	0%

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Corporate Services Portfolio Committee	Focus on Institutional Development and Transformation
Basic Services Portfolio Committee	Focus on Infrastructure Development
Community Services, LED and Tourism Portfolio Committee	Focus on Community issues Local Economic Development and Tourism
Budget and Treasury Portfolio	Budget and Budget related Policies
Good Governance & Public Participation Portfolio	Focus on Good Governance and Public Participation

# APPENDICES

## APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Corporate Services Portfolio Committee	Director: Advocate Selebogo
Basic Services Portfolio Committee	Vacant
Community Services, LED and Tourism Portfolio Committee	Director: Olatsewe Kegopotsehang
Budget and Treasury Portfolio	Acting Director: Olebile Ntsimane
Good Governance & Public Participation Portfolio	Acting Director: Oeagile Pitso

# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	N/A
Building regulations	No	N/A
Child care facilities	Yes	N/A
Electricity and gas reticulation	No	N/A
Firefighting services	No	N/A
Local tourism	No	N/A
Municipal airports	No	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	No	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	No	N/A
Facilities for the accommodation, care and burial of animals	No	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	No	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	No	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A



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Pounds	No	N/A
Public places	No	N/A
Refuse removal, refuse dumps and solid waste disposal	No	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	No	N/A

# APPENDICES

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	<b>Cllr Baakanyang</b> Morapedi S Modi J Moireleng T Mni PN Mochubele J Maleke S Masiga D Kwaele D Mosikare T Okha M	Yes	No	No	Yes
2	<b>Cllr Ratshipa</b> Sephiri J Molao F Sephuti R Mekgwe K Nyobi M Gonewane S Sesipi F Moepeng D Ditsebo D More J	Yes	Yes	Yes	Yes
3	<b>Cllr Miguel</b> Nyundi F Botha K Sithole J Mcquire M Mokalake M Ntselane M Gabaphete T Matampe M Hamale W Mpane M	Yes	Yes	No	Yes

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4	<b>Cllr Ngamole</b> Tswaile P Sebogodi G Mongale V Seichokelo G Mochware V Modise O Olifant M Moeng K Mokgothu M Taile M	Yes	Yes	Yes	Yes
5	<b>Cllr Matlhe</b> Mongotleng S Moswang S Ditlhare D Mothobi K Malotane E Mampe M Kamanayne M Poncho F I Matsime G Kgalalelo B	Yes	Yes	Yes	Yes
6	<b>Cllr Moreki</b> Leepile L Moreki K Modisapudi D Absalom J Mosimaneeng P Morolong M Modisenyane M Maruping K Moitlhwe N Babase S	Yes	Yes	Yes	Yes
7	<b>Cllr Philip</b> Magwatane D Thamane M Tshegofatso B Otshabeng I Mokgantsi K Baepi E Ngwenya D Tekolo M Thamane O Matlametlo G	Yes	Yes	Yes	Yes

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8	<b>Cllr Seswai</b> Seswai E Makhu M Motseemang D Boutlwanye F Gaonathebe O Blennis V Kgarane O Ntehang P Mpolekeng S Masita ET	Yes	Yes	Yes	Yes
9	<b>Cllr Loabile</b> Tlharesakgosi A N Modisaesi R Tsimane K Opaletswe P Thokgwe K Shashape O Mothiubedi M Mongwaketsi M Khoa T Thupe G (Deceased)	Yes	Yes	Yes	Yes
10	<b>Cllr Dithakgwe</b> Gouws B Tladinyane P Masiane M Makabolane K Mpotsang E Mokalakane P Lekgotle Sinah Suwedi D Leepile B Rantho M	Yes	Yes	Yes	Yes
11	<b>Cllr Nthebotsenyane</b> Balebi N Leepile B Modirapula B Molelekwa M Mongwaketsi M Ramatsime C Mothupi D Keagile B Kontle J Gaorekwe I	Yes	Yes	Yes	Yes

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12	<b>Cllr Modise</b> Mogapi S Tagote J Baikapi M Ogaseng G Lepodise T Taunyane I Paul M Thibelang M Masiane K Motlhanke P	Yes	Yes	Yes	Yes
13	<b>Cllr Lenner</b> Smith M Seope B Phakela K Thebe G Otukile K George T Moirwagale L Sebogodi K Molwane L Motshware G	Yes	Yes	Yes	Yes
14	<b>Cllr Diphikwe</b> Matsietso T Semetse O Ngakanyane O Selebogo M Loeto D Engiline D Komile K Lobelo O Sekgele G Thebeyatsipi M	Yes	Yes	Yes	Yes
15	<b>Cllr Olaotswe</b> Smous M Takgwe K Mohapaanele A Modigedi B Morolong M Moirwagale B Masekwane T Mosweu G Tatagwe V Mashishi P	Yes	Yes	Yes	Yes

# APPENDICES

## APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
2	Construction of Manyeledi Community Hall	July 2014	June 2015	2 400 000
8	Construction of Vragas Community Hall	July 2014	June 2015	2 400 000
2	Construction Of Tosca Community Hall	July 2014	June 2015	2 400 000
2	Up-grade of Bray & Tosca Cemetery	July 2014	June 2015	1 800 000
10	Upgrade of Morokweng Sports Facility	July 2014	June 2015	9 000 000
2	Paving of Bray Internal Road	July 2014	June 2015	2 000 000
8	Construction of Ethol Access Road	July 2014	June 2015	2 000 000

# APPENDICES

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
03-Nov-14	Management should plan and inform Internal Audit regarding future availability of information during the audit stages	Yes
29-Jan-15	Management should plan and inform Internal Audit regarding future availability of information during the audit stages	Yes
29-May-15	Management should fill the Technical service Director post or appoint someone to act  Management must submit the Departments POE's on time to the PMS unit	Yes
30-Jun-15	Management should fill the Technical service Director post or appoint someone to act  Management must submit the Departments POE's on time to the PMS unit	Yes

# APPENDICES

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contractors and Public Private Partnerships will be included in November 2015 after the 2014/2015 Financial Statement are audited



APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider Name (i)	(a) Service Indicators	(b) Service Targets (ii)	Target Year 0	Target Year 1			Target Year 2
			Actual (iv)	*Previous Year (v)	*Current Year (vi)	Actual (vii)	*Current Year (viii)
Ramalephatso Industries	Number of community halls constructed	Construction of Manyedi Community Hall by 30 June 2015	100% Practical Completed	N/A	N/A	N/A	N/A
Mmanyane Construction JV	Number of community halls constructed	Construction of Vragas Community Hall by 30 June 2015	100% Practical Completed	N/A	N/A	N/A	N/A
Mmanyane Construction JV	Number of cemeteries upgraded	Construction of Tosca Community Hall by 30 June 2015	100% Practical Completed	N/A	N/A	N/A	N/A
Be at last JV	Number of cemeteries upgraded	Up-grade of Bray and Tosca Cemeteries by 30	85 % complete	N/A	N/A	N/A	N/A

		June 2015					
Tebatso Ditiro Logistics JV	Number of cemeteries upgraded	Up-grade of Tosca Cemeteries by 30 June 2015	80% complete	N/A	N/A	N/A	N/A
Kelesego Maintenance Services	Number of sports facilities upgraded	Upgrade of Morokweng Sports Facility by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
Silver 259 CC	Number of Internal roads to be constructed	Paving of Bray Internal Roads by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
The Noble Icon Enterprise	Number of Internal roads to be constructed	Construction of Ethol Access road by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
Leungo Construction	Number of community halls constructed	Construction of Kgokgole Community Hall by 30 June 2015	29% Completion	N/A	N/A	N/A	N/A
Bakopane management Projects	Number of community halls constructed	Construction Ganyesa Community Hall by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
Leungo Construction	Number of community halls constructed	Construction Godhood Community Hall by 30 June 2015	55% completion	N/A	N/A	N/A	N/A

Blue dot/Ditada JV	Number of community halls constructed	Construction of Phaposane Community Hall by 30 June 2015	49% completion	N/A	N/A	N/A	N/A
Kgabagare Engineering consultants	Number of high mast lights constructed	Construction of High Mast Lights in Phaposane by 30 June 2015	100% practical Completed	N/A	N/A	N/A	N/A
Sizwe Ntsaluba Gobodo	Accounting services	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
	Review of Performance of Predetermined Objectives	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
Enigma 013 (Pty) Ltd	Assessment Rates	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
FBL Trading Enterprise (PTY) LTD	Fleet Management System	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A

a) Business Engineering	IT Services	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
b) Kwabodirelo Trading and Projects				N/A	N/A	N/A	N/A
Kykat Trading Enterprise CC ts	Performance Management System	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
Sizwe Ntsaluba Gobodo	Risk Assessment	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
FBL Trading Enterprise (PTY) LTD	Security services	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
Direction Precision Management	VAT Recovery	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A
3 ME Consultants CC	Consultant for Tosca CH, Bray Internal road,	To be completed by 30 June 2015	100% Completed	N/A	N/A	N/A	N/A

Tiki Architects	Consultant for Professional Fees of Pomfret, Bray & Tosca Cemeteries, Professional Fees is combined with Kgokgole, Phaposane & Goodwood Community Halls, Upgrade of Bray Cemetery & Revamping of Morokweng sports facilities	To be completed by 30 June 2015	100% Completed				
				N/A	N/A	N/A	N/A
Bigen Africa	Installation of High Mast Lights in Bray	To be completed by 30 June 2015	100% Completed				
				N/A	N/A	N/A	N/A

# APPENDICES

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Declaration of Interest was circulated to all employees of the municipality and CIPRO search performed. No related party transaction occurred between the municipality and its Key Management.

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Refer to page 182 for Revenue Collection Performance By Vote and page 183 for Revenue Collection Performance By Source.

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants Received for Financial year 2014-2015 was R 5 154 700. Refer to Note 13 for detailed work done.

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Capital Expenditure for Financial year 2014-2015 was R 47 412 194. Refer to page for detailed work done.

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# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project Year 0 are included in the Audited 2014/2015 Annual Performance Report. Refer to page 91 to 97.

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project Year by ward Year 0 are included in the Audited 2014/2015 Annual Performance Report. Refer to page 91 to 97.

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/A

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

N/A

# APPENDICES

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial outcomes of Local Government		
Outcome/output	Progress to date	Number or percentage achieved
Output: improving access to basic services	78% of the Household are provided with electricity  70 of household are provided with VIP toilets(Sanitation)	78 % electricity  70 % Sanitation
Output: implementation of Community Works Programme	Community Works Programme is implemented in all wards in the municipality with an employment of 180 jobs	70%
Output: Deepening Democracy through refined ward committee model	Municipality through Ward Committees consult with community. Planning and prioritisation is also communicated through ward Committees	100%
Output: administrative & financial capabilities	The administrative wing of the municipality is stable, as well as the financial muscles however it is not enough to provide more service to the community	90%



# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Refer to page 141 for Audited 2014-2015 Annual Financial Statements